

Market Release

10 February 2022

Corum investing for growth

Corum Group Limited (ASX: COO) (Corum) is pleased to announce its interim results for FY22.

- **Group revenue** **\$6.1m** **up 4% on pcp**
- **Underlying EBITDA** **\$1.7m** **down 22% on pcp**
- **Cash on hand** **\$6.4m**

Key Operational Highlights

- Investment in people. Addition of key management personnel and upskilling the workforce to accelerate revenue growth and new PharmX functionality
- Agreed disposal of the eCommerce real estate business to fully focus on health tech. Expected completion in March 2022.
- Revenue growth of 4% primarily attributable to PharmX (+9% allowing for one off's)
- Group software wins for Go Vita group and WholeLife group
- Operating cash flow of \$770,000 up 38% on pcp

Commenting on the results, Nick England, Executive Chairman said: "The investment in people to grow the business is largely complete and whilst the revenue growth in the half was modest, I expect that growth to accelerate as we bring exciting new products to market in the second half. We are also continuing to explore options for inorganic expansion in related areas."

- ENDS -

This announcement has been authorised for lodgment by the Board of Directors of Corum Group Limited.

For further information contact:
Nick England, Executive Chairman

Investor email: Investor.Relations@corum.com.au

About Corum Group

Corum Group Limited [ASX:COO] (Corum) is an Australian company limited by shares that owns businesses in technology and software development.

For more than 30 years Corum has been using its deep industry expertise and extensive relationships to develop Point-Of-Sale, Dispensing and Management software for pharmacy head offices and retail stores and a range of eCommerce and ordering solutions throughout Australia. Corum Health now also includes PharmX, an electronic gateway that links pharmacies, pharmaceutical wholesalers and direct suppliers within the pharmacy market.

Corum is determined to offer the best solutions to its customers through the products, services and processes of each of its businesses.



Appendix 4D

Name of entity

Corum Group Limited

ABN or equivalent company reference

25 000 091 305

Half year ended ('current period')

31 December 2021

Financial year ended
(‘previous corresponding period for
Balance Sheet’)

30 June 2021

Half year ended
(‘previous corresponding period for
Statement of Comprehensive Income and
Cash Flow Statement’)

31 December 2020



CORUM GROUP LIMITED
ABN 25 000 091 305
AND ITS CONTROLLED ENTITIES

Results for announcement to the market

Extracts from this report for announcement to the market

1. Revenue from ordinary activities	Up 4.1% to	\$6,101,000
2. Profit from ordinary activities after tax attributable to members	Down 91.2% to	\$88,000
3. Profit for the period attributable to members	Down 91.2% to	\$87,000

Statement regarding dividends	No dividends have been declared
Record date for determining entitlements to the dividend	N/A

	Current Period 31 December 2021	Previous Corresponding Period 30 June 2021
Net tangible assets/(liabilities) per security (excluding intangible assets)	0.6 cents	0.6 cents

CORUM GROUP LIMITED

ABN 25 000 091 305

HALF-YEARLY REPORT FOR THE SIX MONTHS ENDED

31 DECEMBER 2021





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Directors' Report

The Directors present their report, together with the financial statements, on the Consolidated Entity consisting of Corum Group Limited ('Group', or 'Corum', or the 'Company') and the entities it controlled for the half-year ended 31 December 2021.

Directors

The following were directors of Corum Group Limited since the beginning of the half-year and up to the date of this report, unless a different period is stated below:

Nick England	Chairman and Non-executive Director. Appointed Interim CEO 1 February 2022
Julian Sallabank	Managing Director resigned 31 January 2022
Jon Newbery	Non-executive Director
Jayne Shaw	Non-executive Director
Dennis Bastas	Non-executive Director

Company Secretary

Eryl Baron

Principal Activities

Corum Group Limited (ASX:COO) is a technology and software development business. The key business activities relate to:

- Corum Health – which provides products and services to the pharmacy industry including an industry leading electronic ordering gateway, point-of-sale and pharmaceutical dispensing software, multi-site retail management solutions, support services and computer hardware.
- eCommerce – which operates a payment gateway primarily for the real estate and pharmacy sectors. This segment has now been classified as a discontinued operation held for sale.

Operating Results

Revenue from continuing operations for the half-year was \$6,101,000, an increase of 4% on the prior period (half-year ended 31 December 2020: \$5,862,000). This increase has mainly been driven by growth in PharmX.

The underlying operating profit related to continuing operations of the Consolidated Entity amounted to \$349,000 (half-year ended 31 December 2020: \$653,000).

This result includes legal costs of \$312,000 relating to the ongoing dispute with Fred IT relating to PharmX Pty Ltd ('PharmX'). These costs are expected to reduce significantly once this matter has been resolved later in 2022. Software development amortisation has also significantly increased in the current half-year compared to the prior period, mainly arising from the acquisition of PharmX and the amortisation of the gateway software acquired as well as the ongoing amortisation of the costs incurred in the development of Corum Clear Dispense.

There has been a major investment into employee costs to build the skills that Corum require to deliver on new revenue focussed activities. Investment ahead of the revenue curve has naturally impacted profits. IT costs have also increased as we continue to evolve our internal technology and operations.

Net profit after income tax was \$87,000, a decrease of 91% on the prior period (half-year ended 31 December 2020: \$988,000).

A binding sale agreement has been entered into to sell the assets of the eCommerce business during the period. Completion is expected in the second half of financial year 2022. This business is now

Directors' Report continued

Operating Results continued

classified as held for sale and has been treated as a discontinued operation. Comparatives have been restated as required.

Dividends

No dividend was paid by the Company in the half-year ended 31 December 2021.

Review of Operations

During the half-year ended 31 December 2021, a binding agreement was entered into to sell the eCommerce business. The disposal of this non-core business unit will allow Corum to focus and invest in the Health division. The consideration for the sale has been agreed at \$500,000, generating a gain on disposal and completion is expected in the second half of financial year 2022.

During this period, we have made progress on the expansion of PharmX with year-to-date growth of 10% in the total number of supplier-to-pharmacy connections, principally by striking agreements with retail pharmacy groups and adding new suppliers. This increase will drive increased revenues in future periods. As at 31 December 2021, there are in excess of 44,000 connections and the growth during this period represents the largest increase in 5 years. The benefit from the growth in connections during the period was partially offset by the reduction in utilisation volumes from one of PharmX's main customers, due to industry consolidation. Excluding this reduction, Health revenue grew 6.5% on the prior comparable period.

Over the past 6 months we have continued work on new product offerings through our Health business. We have launched CyberGuard, a state-of-the-art cyber protection product for Australian pharmacies. This subscription-based service, which is a whole of market offering, is designed to prevent increasingly prevalent ransomware attacks and ensure pharmacy patient data is protected with enterprise level technology.

There has also been continued work on the development of increased functionality of the PharmX platform. This activity will result in a platform that will better meet the needs of smaller suppliers who do not currently use PharmX and specific promotional and marketing functionality that large suppliers desire. In addition, we are developing a payments capability for the platform that will improve efficiencies at store level. We expect to launch the first iteration of this in the current half.

Development has also continued during the current half-year on the Corum Clear suite of products. The Corum Clear Dispense product continues to be optimised operationally through targeted improvements based on customer feedback and required Government regulatory changes. The Head Office product has continued to undergo upgrades and specific functionality development to assist in the deployment into some specific new non-pharmacy group environments and is still the leading multi-store management system in the pharmacy market.

Outlook

Corum will continue to look to accelerate its growth following its substantial investment in personnel. Our relationship with major pharmacy groups has led to the signing of long term PharmX agreements with Groups comprising approximately 800 stores and continues to open opportunities for our Health business.

We will be looking to roll out our software to the new customer groups that we acquired during the year, specifically the WholeLife group and our first major non-pharmacy customer in Go Vita.

The investment into increasing the functionality of the PharmX platform will continue and we will be launching the first of these enhancements in the second half of FY22. The drive for increased supplier connections will continue by both increasing the number of suppliers on the platform and improving utilisation.

Directors' Report continued

Outlook continued

To augment our organic growth initiatives, we have engaged TMT Partners as corporate advisors to actively seek acquisition opportunities. Many interesting opportunities have been identified and we are pursuing those that make strategic and commercial sense.

Financial Position

The Consolidated Entity net assets are \$23,054,000 (June 2021: \$22,930,000). Working capital, current assets less current liabilities, is a surplus of \$3,341,000 (June 2021: \$4,029,000).

The cash position remained relatively unchanged at \$6,381,000 (30 June 2021: \$6,478,000), a decrease of \$97,000 during the period. Operating cashflows excluding net tax refund increased by \$211,000 from \$559,000 to \$770,000 driven by increased receipts from customers. As in previous years, the overall cash position benefited from a tax refund (including research and development incentive) of \$1.55 million that was received in the period (\$1.70 million in the half-year ended 31 December 2020). These inflows have been partly offset by the ongoing investment in new product development of \$2.20 million.

Going Concern

Directors have prepared these financial statements on the basis that the Company is a going concern.

Events Subsequent to Reporting Date

As announced on 20 December 2021, Corum has entered a binding agreement to sell the eCommerce business unit to Zenith Payments Pty Ltd. The consideration for the sale is \$0.5m and the transaction will generate a gain on disposal with completion expected in the second half of the financial year 2022. The planning and transition activities are progressing with both parties working towards a seamless transfer in the coming months.

Following the resignation of the CEO on 31 January 2022, the 4,000,000 performance rights he held have lapsed.

No other matters or circumstances have arisen since 31 December 2021 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's Independence Declaration

The auditor's independence declaration as required by section 307C of the Corporations Act 2001 is set out on page 5.

Rounding of Amounts

The Company is an entity to which ASIC legislative instrument 2016/191 applies and, accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

This Report of the Directors is signed in Sydney in accordance with a resolution of the Board of Directors.



Nick England
Chairman



Jon Newbery
Director

Dated: 10 February 2022

DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE DIRECTORS OF CORUM GROUP LIMITED

As lead auditor for the review of Corum Group Limited for the half-year ended 31 December 2021, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Corum Group Limited and the entities it controlled during the period.



Leah Russell
Director

BDO Audit Pty Ltd

Sydney

10 February 2022

**Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2021**

	Note	31 December 2021 \$'000	31 December 2020 \$'000
Revenue from continuing operations	2	6,101	5,862
Expenses related to continuing operations			
Materials and consumables		(828)	(867)
Employee benefits	3	(3,098)	(2,881)
Marketing		(135)	(58)
Depreciation and amortisation	3	(996)	(746)
Finance costs		(40)	(18)
Share-based payments		(37)	-
Technology, communication and cloud costs		(466)	(345)
Legal		(334)	(384)
Other		(25)	(107)
Research and development tax benefit		207	197
Profit before fair value adjustments, non-trading items and income tax expense		349	653
Fair value adjustment of investments		-	1,727
Contract settlement		-	(1,468)
Profit from continuing operations before income tax		349	912
Income tax (expense) / benefit	4	(261)	91
Profit from continuing operations		88	1,003
Loss from discontinued operations	11	(1)	(15)
Net profit after tax for the half-year		87	988
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Corum Group Limited		87	988
Earnings per share	5	Cents	Cents
Basic earnings per share		0.01	0.20
Diluted earnings per share		0.01	0.20

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

Consolidated Statement of Financial Position as at 31 December 2021

		31 December 2021 \$'000	30 June 2021 \$'000
Assets			
Current assets			
Cash and cash equivalents		6,381	6,478
Trade and other receivables	8	916	848
Inventories		59	34
Income tax receivable		675	1,548
Other assets		363	298
Assets related to discontinued operations	11	1,218	1,210
		9,612	10,416
Non-current assets			
Property, plant and equipment		410	495
Right of use assets		352	296
Intangibles	9	19,625	19,285
Deferred tax assets		835	804
Security deposits		199	51
		21,421	20,931
Total Assets		31,033	31,347
Liabilities			
Current liabilities			
Trade and other payables		3,621	3,680
Provisions		947	1,054
Lease liability		256	280
Deferred revenue		59	-
Liabilities related to discontinued operations	11	1,388	1,373
		6,271	6,387
Non-current liabilities			
Other payables		351	726
Provisions		104	120
Lease liability		110	41
Deferred Tax liability		1,143	1,143
		1,708	2,030
Total liabilities		7,979	8,417
Net assets		23,054	22,930
Equity			
Issued capital	10	98,366	98,366
Reserves		55	18
Accumulated losses		(75,367)	(75,454)
Total Equity		23,054	22,930

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

**Consolidated Statement of Changes in Equity for the half-year ended
31 December 2021**

	Note	Issued capital \$'000	Share-based Payments Reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2021		98,366	18	(75,454)	22,930
Profit after income tax		-	-	87	87
Performance rights issued	12	-	37	-	37
Balance at 31 December 2021		98,366	55	(75,367)	23,054
Balance at 1 July 2020		89,724	18	(76,545)	13,197
Profit after income tax		-	-	988	988
Issues of new capital, net of transaction costs		8,642	-	-	8,642
Balance at 31 December 2020		98,366	18	(75,557)	22,827

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

**Consolidated Statement of Cash Flows for the half-year ended
31 December 2021**

	31 December 2021 \$'000	31 December 2020 \$'000
Cash flows from operating activities		
Receipts from customers	6,682	5,742
Payments to suppliers and employees	(5,990)	(5,329)
Interest and other revenue received	13	91
Income tax paid	(433)	(273)
Research and development incentive received	1,987	1,973
Cashflows from discontinued operations	65	55
Net cash from operating activities	2,324	2,259
Cash flows from investing activities		
Payments for property, plant and equipment	(62)	(178)
Payments for intangible assets	(2,199)	(2,099)
Acquisition of subsidiary net of cash acquired	-	(2,097)
Deposit received relating to sale of business	25	-
Net cash used in investing activities	(2,236)	(4,374)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	8,936
Share issue transaction costs	-	(392)
Distributions paid to unit holders	-	(896)
Principal paid on lease liabilities	(169)	(213)
Interest paid on lease liabilities	(16)	(20)
Net cash from financing activities	(185)	7,415
Net increase in cash and cash equivalents	(97)	5,300
Cash and cash equivalents at beginning of the period	6,478	2,323
Cash and cash equivalents at end of the period	6,381	7,623

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

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

This financial report includes the consolidated financial statements and notes of Corum Group Limited and controlled entities ('Consolidated Entity', or 'Group', or 'Corum', or the 'Company'). Corum Group Limited is a listed public company, incorporated and domiciled in Australia.

The presentational and functional currency is Australian dollars.

Note 1: Basis of preparation

a) Basis of preparation

The half-year consolidated financial statements have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that the half-year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2021 and any public announcements made by Corum during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial statements have been prepared using the same accounting policies consistently applied by the entities in the Consolidated Entity as used in the annual financial statements for the year ended 30 June 2021.

The half-year financial report does not include full disclosure of the type normally included in an annual financial report.

b) Reporting basis and conventions

The financial statements have been prepared on an accruals basis and are based on historical costs; modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

c) Going concern basis

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

d) New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

There were no standards and amendments that applied for the first time that had an impact on the consolidated financial statements of the Consolidated Entity for the half-year reporting period commencing 1 July 2021.

Any new, revised or amending Accounting Standards or Interpretations that are not yet effective have not been adopted.

**Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2021**

	31 December 2021 \$'000	31 December 2020 \$'000
Note 2: Revenue		
<i>Sales revenue</i>		
Rendering of services	5,926	5,026
Sale of goods	162	171
	6,088	5,197
<i>Other revenue</i>		
Interest received	13	16
Revenue from unlisted entity	-	574
Other revenue	-	75
	13	665
Total revenue from continuing operations	6,101	5,862
Revenue from discontinued operations	616	780
Total revenue	6,717	6,642
Note 3: Expenses		
<i>Employee benefits</i>		
Employee benefits expenses	4,478	4,435
Capitalised development costs	(1,001)	(1,051)
Less employee benefits expenses related to discontinued operations	(379)	(503)
Total employee benefits from continuing operations	3,098	2,881
<i>Depreciation and amortisation</i>		
Software development	752	493
Leased assets	173	211
Property, plant and equipment	156	165
Capitalised depreciation costs	(68)	(88)
Less depreciation related to discontinued operations	(17)	(35)
Total depreciation and amortisation from continuing operations	996	746

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

	31 December 2021 \$'000	31 December 2020 \$'000
Note 4: Income tax		
<i>The major components of income tax expense are:</i>		
Current period income tax charge	309	96
Adjustment for current income tax if items credited directly to equity, capital raising costs	17	19
Adjustment for current income tax of previous year	(7)	-
Utilisation and reversal of temporary differences	(48)	(206)
Less income tax estimate related to discontinued operations	(10)	-
	261	(91)

The Group generated operating losses between 1997 and 2009 which resulted in substantial carried forward tax losses. These tax losses can be used as an offset against taxable income in accordance with the consolidated tax group rules.

The potential future tax benefits arising from tax losses and temporary differences have been recognised as deferred tax assets only to the extent that:

- the Group is likely to derive future assessable income of a nature and amount sufficient to enable the benefits to be realised;
- no changes or proposed changes in legislation are likely to adversely affect the Group's ability to realise these benefits; and
- the Group is likely to continue to comply with the conditions for deductibility of losses imposed by tax legislation.

	31 December 2021 \$'000	31 December 2020 \$'000
Note 5: Earnings per share ('EPS')		
<i>Reconciliation of earnings:</i>		
Profit after income tax attributable to owners of the Company	87	988
Earnings used in the calculation of basic and diluted EPS	87	988
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	596,756,789	489,381,638
Weighted average number of ordinary shares used in calculating diluted earnings per share	601,115,485	491,292,495

Note 6: Dividends paid and proposed

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

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

Note 7: Operating segments

Identification of reportable operating segments

The Group is organised into two operating segments: Health Services and eCommerce. These operating segments are based on internal reports reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. Consideration is given to the nature and distinctiveness of the products or services sold, the manner in which they are provided and the organisational structure.

The CODM review profit/(loss) before income tax ('segment result'). The accounting policies adopted for reporting to the CODM are consistent with those adopted in the financial statements.

The Group operates predominantly in Australia.

Types of services

The principal services of each of these operating segments are as follows:

- Corum Health – develops and distributes business software for the pharmacy industry with emphasis on an electronic ordering gateway, point-of-sale and pharmaceutical dispensing software, multi-site retail management software, support services and computer hardware.
- eCommerce – operates a payment gateway primarily for the real estate and pharmacy sectors. This segment has now been classified as a discontinued operation held for sale.

Intersegment transactions

An internally determined transfer price is set for all inter-segment sales. This price is reset annually and is based on arm's length pricing. All such transactions are eliminated on consolidation.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group or estimates of the time individuals apply to each segment, which is representative of likely consumption of head office expenditure.

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

Note 7: Operating segments continued

For the purpose of segment reporting and understanding segment performance, the net benefit of research and development tax incentives are disclosed in the segment to which they relate.

<i>Segment performance</i>	Corum Health \$'000	eCommerce \$'000	Intersegment eliminations /unallocated \$'000	Consolidated \$'000
Half-year to 31 December 2021				
Revenue				
Rendering of services	5,926	616	-	6,542
Sales of goods	162	-	-	162
Interest and other revenue	-	-	13	13
Total revenue	6,088	616	13	6,717
Profit / (Loss) before income tax expense				
	545	9	(196)	358
Depreciation and amortisation of segment assets	977	17	19	1,013
As at 31 December 2021				
Total Assets	21,796	1,218	8,019	31,033
Total Liabilities	(4,477)	(1,388)	(2,114)	(7,979)
Half-year to 31 December 2020				
Revenue				
Rendering of services	5,026	780	-	5,806
Sales of goods	171	-	-	171
Interest and other revenue	577	-	88	665
Total revenue	5,774	780	88	6,642
Profit / (Loss) before fair value adjustments, contract settlement and income tax expense				
	980	(15)	(327)	638
Depreciation and amortisation of segment assets	721	35	25	781
As at 30 June 2021				
Total Assets	21,442	1,422	8,483	31,347
Total Liabilities	(4,821)	(1,506)	(2,090)	(8,417)

Refer to note 11 for further details of discontinued operations.

**Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2021**

	31 December 2021 \$'000	30 June 2021 \$'000
Note 8: Current assets - trade and other receivables		
Trade receivables	941	903
Less: Allowance for expected credit loss	(70)	(77)
	871	826
Other receivables	54	38
Total trade and other receivables	925	864
Less trade and other receivables from discontinued operations	(9)	(16)
Total trade and other receivables from continuing operations	916	848
Note 9: Non-current assets - intangibles		
	31 December 2021 \$'000	30 June 2021 \$'000
Goodwill – at cost	2,115	2,115
Accumulated impairment	-	-
	2,115	2,115
Software product development – at cost	16,619	15,527
Accumulated impairment	(1,467)	(1,467)
Accumulated amortisation	(1,849)	(1,234)
	13,303	12,826
Customer Contracts/Relationships – at cost	3,833	3,833
Accumulated amortisation	(365)	(228)
	3,468	3,605
PharmX Brand – at cost	739	739
Accumulated impairment	-	-
	739	739
Total intangible assets	19,625	19,285

**Notes to the Consolidated Financial Statements
for the half-year ended 31 December 2021**

Note 9: Non-current assets – intangibles continued

Reconciliation

Consolidated	Goodwill \$'000	Software product development \$'000	Brand \$'000	Customer Contracts/ Relationships \$'000	Total \$'000
Balance at 1 July 2020	-	4,674	-	-	4,674
Additions	2,115	10,459	739	3,833	17,146
Research and development incentives	-	(1,355)	-	-	(1,355)
Impairment	-	-	-	-	-
Amortisation	-	(952)	-	(228)	(1,180)
Balance at 30 June 2021	2,115	12,826	739	3,605	19,285
Additions	-	1,868	-	-	1,868
Research and development incentives	-	(776)	-	-	(776)
Impairment	-	-	-	-	-
Amortisation	-	(615)	-	(137)	(752)
Balance at 31 December 2021	2,115	13,303	739	3,468	19,625

Research and development tax benefits are offset against related software development costs when they are capitalised. The research and development tax benefit in the Consolidated Statement of Profit or Loss and Other Comprehensive Income is reduced accordingly.

Goodwill has been recognised on acquisition of PharmX in the prior period.

Note 10: Issued capital

Movement in ordinary share capital	Shares	\$'000
Balance at 1 July 2021	596,756,789	98,366
Current period movements	-	-
Balance at 31 December 2021	596,756,789	98,366

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

Note 11: Discontinued operations

As announced on 20 December 2021, Corum has entered a binding agreement to sell the eCommerce business unit to Zenith Payments Pty Ltd. The consideration for the sale is \$0.5m and the transaction will generate a gain on disposal with completion expected in the second half of the financial year 2022. The planning and transition activities are progressing with both parties working towards a seamless transfer in the coming months.

	31 December 2021 \$'000	31 December 2020 \$'000
Revenue from discontinued operations	616	780
Expenses related to discontinued operations		
Materials and consumables	(138)	(173)
Employee benefits	(379)	(503)
Marketing	(1)	(2)
Depreciation and amortisation	(17)	(35)
Finance costs	(1)	(2)
Technology, communication and cloud costs	(50)	(40)
Legal	-	(2)
Other	(21)	(38)
Research and development tax benefit	-	-
Profit / (loss) before income tax expense	9	(15)
Income tax (expense) / benefit	(10)	-
Net profit after tax for the half-year from discontinued operations	(1)	(15)

	31 December 2021 \$'000	30 June 2021 \$'000
Assets related to discontinued operations		
Trade and other receivables	9	16
eCommerce payments awaiting clearance	1,209	1,194
	1,218	1,210
Liabilities related to discontinued operations		
Trade and other payables	1,301	1,273
Deferred revenue	87	100
	1,388	1,373

Not all assets and liabilities at 30 June 2021 related to eCommerce segment per note 7 relate to discontinued operations. Some assets and liabilities that used to form part of this operating segment will be retained post disposal. These include cash and cash equivalents as well as provisions related to employees staying in the business post disposal.

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2021

Note 12: Events after the reporting period

As announced on 20 December 2021, Corum has entered a binding agreement to sell the eCommerce business unit to Zenith Payments Pty Ltd. The consideration for the sale is \$0.5m and the transaction will generate a gain on disposal with completion expected in the second half of the financial year 2022. The planning and transition activities are progressing with both parties working towards a seamless transfer in the coming months.

Following the resignation of the CEO on 31 January 2022, the 4,000,000 performance rights he held have lapsed.

No other matters or circumstances have arisen since 31 December 2021 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration

In the opinion of the Directors of Corum Group Limited:

- (a) The financial statements and notes, set out on pages 6 to 18 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; 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 Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Board



Nick England
Chairman



Jon Newbery
Director

Dated: 10 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Corum Group Limited,

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Corum Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of 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 accompanying half-year financial report of the Group does not comply with the Corporations Act 2001 including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 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.

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 auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility 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 Group's financial position as at 31 December 2020 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.

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.

BDO Audit Pty Ltd

BDO

Leah Russell

Leah Russell
Director

Sydney, 10 February 2022

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