

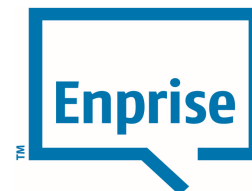
**Enprise Group Limited**

**Unaudited Results Announcement**

**for the 15 months ended 30 June 2020**

## Enprise Group Limited

### Unaudited Results for Announcement to the Market



Reporting period	15 month to 30 June 2020
Previous reporting period	12 month to 31 March 2019

	Amount (NZD'000)	Percentage change
Revenue from ordinary activities	12,400	85% increase
Gross profit	11,344	86% increase
Expenses from ordinary activities	(10,763)	98% increase
Equity earnings from associates and joint ventures	(276)	72% increase
Profit before tax	1,285	235% increase
Taxation expense	23	126% increase
Total comprehensive income attributable to shareholders	1,623	337% increase

Comments:
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## Enprise Group Limited

### Unaudited Consolidated Statement of Comprehensive Income for the 15 months ended 30 June 2020

	30 June 2020		31 March 2019	
	15 mths	\$'000	12 mths	Restated \$'000
<b>Continued operations</b>				
Revenue from contracts with customers		12,400		6,714
Cost of providing services		(1,056)		(600)
<b>Gross profit</b>		11,344		6,114
Other operating income		20		12
Government assistance		935		-
Employee expense		(8,335)		(4,080)
Other operating costs		(2,428)		(1,343)
Other gains/(losses) - net		58		(40)
<b>Operating profit from continued operations</b>		1,594		663
Equity earnings from associates and joint ventures		(276)		(1,001)
Write down of carrying value of joint ventures		-		(563)
Finance cost - net		(33)		(52)
<b>Profit/(loss) before income tax from continuing operations</b>		1,285		(953)
Income tax benefit/(expense)		23		(88)
<b>Profit/(loss) for the period</b>		1,308		(1,041)
<b>Other Comprehensive Income</b>				
<i>Items that may be reclassified to profit or loss</i>				
Foreign currency translation differences		95		10
<i>Items that will not be reclassified to profit or loss</i>				
Changes in the fair value of investments through other comprehensive income		220		345
Total other comprehensive income for the period, net of tax		315		355
<b>Total comprehensive income for the period</b>		1,623		(686)
<b>Profit for the year is attributable to:</b>				
Non-Controlling Interest		24		-
Owners of Enprise Group Limited		1,284		(1,041)
		1,308		(1,041)
<b>Total comprehensive income for the year is attributable to</b>				
Non-Controlling Interest		24		-
Owners of Enprise Group Limited		1,599		(686)
		1,623		(686)
Earnings per share (cents per share)				
Basic and diluted earnings per share		10.06		(7.16)

## Enprise Group Limited

### Unaudited Consolidated Statement of Financial Position as at 30 June 2020

	30 June 2020	31 March 2019
	\$'000	Restated \$'000
<b>Current assets</b>		
Cash & cash equivalents	3,169	771
Trade and other receivables	2,962	1,324
Contract assets	646	296
Current tax assets	-	1
Staff receivables	13	54
Loans to related parties	-	193
Other current assets	244	-
<b>Total current assets</b>	<b>7,034</b>	<b>2,639</b>
<b>Non-current assets</b>		
Investments in associates, joint ventures	628	3,440
Investments in other entities	813	593
Staff receivables	-	33
Property plant and equipment	284	83
Intangible assets	11,224	1,695
Right of use assets	1,710	-
Deferred tax asset	1,749	352
Loans to related parties	-	476
<b>Total non-current assets</b>	<b>16,408</b>	<b>6,672</b>
<b>Total assets</b>	<b>23,442</b>	<b>9,311</b>
<b>Current liabilities</b>		
Trade and other payables	2,752	1,010
Provisions	1,501	233
Contract liabilities	1,989	705
Borrowings	347	635
Lease liabilities	654	-
Other current liabilities	-	15
<b>Total current liabilities</b>	<b>7,243</b>	<b>2,598</b>
<b>Non-current liabilities</b>		
Borrowings	138	-
Lease liabilities	1,089	-
Deferred tax liability	680	79
Other non-current liabilities	-	4
<b>Total non-current liabilities</b>	<b>1,907</b>	<b>83</b>
<b>Total liabilities</b>	<b>9,150</b>	<b>2,681</b>
<b>Net assets</b>	<b>14,292</b>	<b>6,630</b>
<b>Equity</b>		
Share capital	10,749	6,566
Foreign exchange translation reserve	160	65
Financial assets at FVOCI reserve	565	345
Retained earnings	861	(346)
<b>Equity attributable to the owners of Enprise Group Limited</b>	<b>12,335</b>	<b>6,630</b>
Non-controlling interest	1,957	-
<b>Total equity</b>	<b>14,292</b>	<b>6,630</b>
Total assets per share (\$ per share)	1.47	0.97
Net tangible assets per share (\$ per share)	0.15	0.16

## Enprise Group Limited

### Unaudited Consolidated Statement of Changes in Equity for the 15 months ended 30 June 2020

	Share capital	Foreign exchange translation reserve	Financial assets at FVOCI reserve	Retained earnings	Non-Controlling Interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 April 2018</b>	6,566	55	-	790		7,411
<i>Transactions with shareholders in their capacity as owners</i>						
Dividends paid				(95)		(95)
Total transactions with shareholders	-	-	-	(95)	-	(95)
<i>Comprehensive income</i>						
Loss for the period (as restated)				(1,041)		(1,041)
Other comprehensive income		10	345			355
Total comprehensive income net of tax (as restated)		10	345	(1,041)	-	(686)
<b>Balance at 31 March 2019</b>	<b>6,566</b>	<b>65</b>	<b>345</b>	<b>(346)</b>	<b>-</b>	<b>6,630</b>
<i>Change in accounting policy</i>						
				(77)	-	(77)
<b>Balance at 1 April 2019</b>	6,566	65	345	(423)	-	6,553
<i>Transactions with shareholders in their capacity as owners</i>						
New shares issued	4,183					4,183
Non-controlling interest on acquisition	-	-	-	-	1,933	1,933
Total transactions with shareholders	4,183	-	-	-	1,933	6,116
<i>Comprehensive income</i>						
Profit for the period	-	-	-	1,284	24	1,308
Other comprehensive income	-	95	220	-	-	315
Total comprehensive income net of tax	-	95	220	1,284	24	1,623
<b>Balance at 30 June 2020</b>	<b>10,749</b>	<b>160</b>	<b>565</b>	<b>861</b>	<b>1,957</b>	<b>14,292</b>

## Enprise Group Limited

### Unaudited Consolidated Statement of Cash Flow for the 15 months ended 30 June 2020

	30 June 2020		31 March 2019	
	15 mths	\$'000	12 mths	\$'000
<b>Operating activities</b>				
Cash was provided from:				
Receipts from customers		19,962		10,354
Government Assistance		753		-
Interest received		19		8
Income tax refund received		1		4
		20,735		10,366
Cash was applied to:				
Payments to suppliers & employees		18,018		9,969
Interest paid		62		56
		18,080		10,025
<b>Net cash inflow (outflow) from operating activities</b>		<b>2,655</b>		<b>341</b>
<b>Investing activities</b>				
Cash was provided from:				
Loans repaid by staff		74		51
Repayments from related parties		104		-
Cash acquired on conversion of JV's and associates to subsidiaries		491		-
		669		51
Cash was applied to:				
Purchase of property, plant and equipment		95		30
Investment in equity accounted joint venture		176		100
Investment in equity accounted associate		42		232
Investments in other entities		-		24
Purchase of business		21		-
Lending to third parties		30		-
Advances to related parties		876		97
		1,240		483
<b>Net cash inflow (outflow) from investing activities</b>		<b>(571)</b>		<b>(432)</b>
<b>Financing activities</b>				
Cash was provided from:				
Proceeds from issue of shares		1,136		-
		1,136		-
Cash was applied to:				
Dividends paid		-		95
Repayment of lease liabilities		409		-
Repayment of borrowings		415		314
		824		409
<b>Net cash inflow (outflow) from financing activities</b>		<b>312</b>		<b>(409)</b>
<b>Net increase / (decrease) in cash and cash equivalents held</b>		<b>2,396</b>		<b>(500)</b>
Net foreign exchange differences		2		6
Cash and cash equivalents at beginning of the year		771		1,265
<b>Cash and cash equivalents at end of the year</b>		<b>3,169</b>		<b>771</b>

## Enprise Group Limited

### Unaudited Consolidated Statement of Cash Flow for the 15 months ended 30 June 2020

#### Cashflow Reconciliation

Reconciliation of net profit to net cash flows from operations:	30 June 2020		31 March 2019	
	15 mths	\$'000	12 mths	\$'000
Profit/(loss) for the period		1,308		(1,041)
<b>Adjustments for:</b>				
Depreciation and amortisation		722		115
Net loss/(gain) on foreign exchange		(58)		40
Release of fit out loan		(19)		(15)
Impairment loss on trade receivables		24		(33)
Share of loss from equity accounted investments		276		1,001
Write down of carrying value of joint ventures		-		563
Loan issued in exchange for services		(50)		(572)
<b>Movements in working capital</b>				
(Increase)/decrease in trade and other receivable		(1,638)		22
(Increase)/decrease in contract assets		(350)		21
(Increase)/decrease in income taxes receivable		1		(1)
Increase/(decrease) in trade and other payables		1,742		130
Increase/(decrease) in provisions		1,268		41
Increase/(decrease) in contract liabilities		1,284		(18)
(Increase)/decrease in deferred tax asset		(796)		88
Net working capital assumed on acquisition		(1,059)		-
<b>Net cash inflow from operating activities</b>		<b>2,655</b>		<b>341</b>

# Enprise Group Limited

## Segmental Information for the 15 months ended 30 June 2020

### Operating segments

The Group has two operating segments based on geographical locations and two business segments. These segments form the basis of internal reporting used by management and the Board of Directors to monitor and assess performance and assist with strategic decisions.

### 1. Operating Performance

#### a. Geographic Segments

	Revenue				Operating Profit			
	2020		2019		2020		2019	
	15 mths	\$'000	12 mths	\$'000	15 mths	\$'000	12 mths	Restated \$'000
New Zealand		6,313		4,994		703		474
Australia		6,087		1,720		891		189
		12,400		6,714		1,594		663
Equity earnings of associates and joint ventures						(276)		(1,001)
Write down of carrying value of joint ventures						-		(563)
Net interest expense						(33)		(52)
Profit/(loss) before taxation						1,285		(953)
Income Tax						23		(88)
Net profit/(loss) attributable to shareholders						1,308		(1,041)

#### b. Business Segments

	Revenue				Operating Profit			
	2020		2019		2020		2019	
	15 mths	\$'000	12 mths	\$'000	15 mths	\$'000	12 mths	\$'000
Enterprise Solutions		12,250		6,714		2,620		1,316
ITQuoter		150		-		49		-
Corporate		-		-		(1,075)		(653)
		12,400		6,714		1,594		663

### 2 Interest, Depreciation and Amortisation

	Interest Revenue				Interest Expense				Depreciation and Amortisation expense			
	2020		2019		2020		2019		2020		2019	
	15 mths	\$'000	12 mths	\$'000	15 mths	\$'000	12 mths	\$'000	15 mths	\$'000	12 mths	\$'000
New Zealand		72		7		63		60		267		115
Australia		1		1		43		-		455		-
		73		8		106		60		722		115

### 3 Balance Sheet Information

	Total Assets				Total Liabilities			
	2020		2019		2020		2019	
	15 mths	\$'000	12 mths	\$'000	15 mths	\$'000	12 mths	\$'000
New Zealand		8,117		6,107		2,930		1,990
Australia		17,233		3,973		8,128		1,460
		25,350		10,080		11,058		3,450
Inter-segment elimination		(1,908)		(769)		(1,908)		(769)
		23,442		9,311		9,150		2,681



## Enprise Group Limited

### Changes in Accounting Policies for the 15 months ended 30 June 2020

#### Change in accounting policies

The following new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies and make adjustments to opening retained earnings as a result of adopting the following standards:

#### NZ IFRS 16 - Leases

This standard replaces the former guidance in NZ IAS 17. Under NZ IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under NZ IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). NZ IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The profit and loss will also be impacted by the recognition of an interest expense and a depreciation expense and the removal of the current rental expense.

This standard will affect primarily the accounting for the Group's operating leases. Applying the new standard will impact our net profit. Rental and lease expenses are effectively reclassified into a depreciation component and an interest component to reflect the implied financing in the lease.

#### Recognition and measurement

- Initially the right-of-use (ROU) asset would be measured at its carrying amount as if NZ IFRS 16 had been applied since the commencement of the lease, but discounted using the Group's borrowing rate.
- Recognition of a lease liability which would reflect the initial measurement of the present value of lease payments, including reasonably certain renewals.
- The ROU would be subsequently measured through depreciating the asset based on NZ IAS 16: 'Property, plant and equipment'.
- The lease liability will be reduced when payments are made and interest taken up based on the effective interest method, using a discount rate determined at lease commencement.

The Group has elected to adopt the cumulative effect approach under which the Group will not restate comparative information.

#### Summary of adjustments to opening retained earnings

	\$'000
Balance as at 1 April 2019	(346)
Change in recognition of:	
Equity earnings from associates and joint ventures	(49)
Right of use asset	118
Lease liability	(157)
Deferred tax asset	44
Deferred tax asset	(33)
	(77)
Adjusted balance at 1 April 2019	(423)

#### Restatement of Comparatives

In preparing the 2020 results, Enprise Group have undertaken a review of the methodology and parameters used to support the previous carrying values for its investments in Kilimanjaro Consulting Pty Limited and iSell Pty Limited. Advice was sort from independent corporate finance advisors, and as a result no adjustment was necessary in relation to Kilimanjaro, however an impairment charge of \$440,285 was required for iSell which related to the prior period. The comparative information has been restated as result of this prior period adjustment.