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Enprise

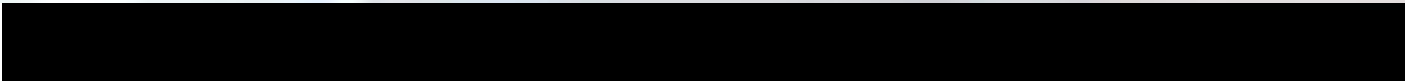
ENPRISE GROUP LIMITED

Interim Financial Report

for the six months ended 31 December 2023

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LETTER FROM OUR BOARD

The Directors are pleased to submit to shareholders their interim report and financial statements for the six months ended 31 December 2023.

Review of operations and outlook

Revenue grew by \$0.841m (8.9%), (last year \$0.432m (5.1%)) to \$10.328m. The Group successfully renegotiated the BNZ commercial loan facility on 1 February 2024. The board is grateful for the continued support of our bankers.

Kilimanjaro Consulting Business

Kilimanjaro is experiencing a once in a generation opportunity for growth as more and more companies turn to technology to improve efficiency. As the largest player, and a trusted brand in this highly competitive market, we are well positioned to take advantage of this. The settlement of the MYOB dispute (see 28th September 2023 announcement) has seen strong collaboration between Kilimanjaro and MYOB, with both parties working together to maximise these opportunities. MYOB's renewed commitment to their Partner Channel model aligns well with Kilimanjaro's goals.

Across all metrics, the business performed well during this 6-month period. These metrics include Growth in Annual Recurring Revenue, Growth in Contracted Revenue, Client Retention, and Client Net Promoter Score (CSAT).

	Recurring Revenue	Contracted Revenue	Total Recurring and Contracted Revenue
6 months to Dec-2023	2.025m	2.359m	4.384m
6 months to Dec-2022	1.794m	1.976m	3.770m

The business continues to transition from legacy on-premise software to Cloud software. The attrition rate of existing on premise clients is about 7% per annum. The MYOB Advanced recurring revenue was 84% higher in the 6 months ended 31 December 2023 than it was in the 6 months ended 31 December 2022. The recurring revenue mix between on-premise and cloud is now about 50 / 50.

Revenue grew by 8.5% (last year 5.1%) for the 6 months ended 31 December 2023 to \$9.650m. Recurring and contracted revenue grew by \$0.614m (14.9%) (last year \$0.474m (14.4%)) for the period. The loss in the Kilimanjaro division decreased from \$0.458m last year to \$0.052m in the current period.

This year, Kilimanjaro was a finalist in all 5 award categories in MYOB's Annual High Achievers Awards, and was awarded Partner of the Year for 2023. In addition, one of our team was awarded "Consultant of the Year" and we were Awarded the Velixo ANZ partner of the Year. We had an additional 4 members of our team receive community recognition awards. We maintained our Diamond Partner status for the 9th year in a row. This year marks the 13th year of the MYOB awards, and Kilimanjaro has been recognized every year for this entire period.

Kim Clarke – MYOB: "Our Partner of the Year award goes to the partner that achieves excellence across a range of areas – from exceptional consultancy and customer service, to superior sales performance. Ultimately, this is a partner we see consistently delivering high-quality best-practice outcomes right through the process. I'd like to offer special congratulations to Kilimanjaro Consulting - a multi award-winning partner who have again taken home the ANZ Partner of the Year award, this time for 2023."

Sales

The 6 months showed a trend of steady improvement in sales recovery, from a slow start in H1 2023 and ended with a significant burst of closed sales of MYOB Advanced, including one of the largest deals in the channel this year. The MYOB Advanced sales pipelines are exceptionally strong, and at all-time highs. The business is highly seasonal, with the second half of the year (January to June) being traditionally our strongest trading period.

People

Our core commitment to our people has been reciprocated with very low attrition of our highly valued skilled base. This high attachment is in part due to the commitment we make to our staff from flexibility, work benefits and our unique culture. Along with this, Kilimanjaro is highly visible to the prospective employees within the ERP community as they observe our profile. We are a clear leader in this field and attract the best people in this genre as a result.

Future Plans

The general economic conditions in Australia and New Zealand caused many businesses to pause spending. Indications are that this trend is waning, and MYOB research shows 87% of businesses intend investing in technology in 2024 as a pathway to improved productivity.

Our strong pipeline of signed deals means that our own productivity will be maintained during the remainder of this year. The lead pipelines indicate that resourcing in our Advanced division will be challenging as this business grows rapidly, with a target of over 45% growth.

With our newly established Migrations Division, we have a strong strategy for client retention (Exo base) with a defined strategy to offer a migration path to our MYOB Advanced option.

We will continue to seek opportunities for diversification to leverage off our large base of loyal mid-market clients.

MYOB Advanced is increasingly becoming the mid-market choice for businesses looking to digitise processes and simplify their business platform environment. The close association between Acumatica and MYOB means that the MYOB Advanced product is now seen as a real alternative in Tier 2 businesses, as well as our traditional market sectors. The software is specifically tailored to the Australia and New Zealand markets, and includes integrated payroll and workforce management systems, giving it a huge competitive advantage.

LETTER FROM OUR BOARD

iSell business

Annual recurring revenue (ARR) has increased to \$0.57m (up 7%). Total revenue \$0.66m (up 18%). Enprise currently owns 72.51% of iSell. Litigation with the former employee was settled during the period. The ITQuoter software has continued to improve in both functionality and robustness, particularly the e-commerce capabilities allowing iSell to engage with large IT and telecommunications companies.

Datagate investment

Enprise Group's associate, Datagate Innovation Ltd (Datagate) grew its annual recurring revenue (ARR) to over \$3.3m, an increase of 22%. Growth in the USA was 20%. Datagate continues to be in high growth mode and is keeping its focus on growing revenue and market share while targeting break even. August 23 was Datagate's first profitable month.

Enprise has 2,411,024 shares in Datagate which if valued at the last rights issue price of \$2.80 per share, values the investment at \$6.751m. As a result of the required accounting treatment where Enprise incurs its share of the losses incurred by Datagate from investing in and growing the business, this investment is currently held on the balance sheet at approximately \$0.86m as at 31 December 2023.

Vadacom investment

Vadacom Holdings Ltd (Vadacom)'s ARR and contracted revenue was \$1.82m for the nine months ended 31 December 2023. The recently released new cloud PBX phone system 'Next Voice' functionality continues to expand to support new and existing customers directly and through resellers. There were 2,930 users of "Next Voice" at 31 December 2023, up 78% from 2022.

Significant changes in the state of affairs

Dispute with MYOB

Kilimanjaro Consulting Pty Ltd ("Kilimanjaro"), has resolved its dispute with MYOB Australia Pty Ltd on terms that will see the parties continue as committed partners in the marketing of the MYOB Advanced and Exo products. The terms, which are confidential, resulted in the termination of the litigation commenced by Kilimanjaro in the Federal Court of Australia, with each party paying its own legal costs. Kilimanjaro is confident that, with this litigation now resolved, it will be able to apply all its energy towards maintaining and growing its position as one of the major Channel Partners of MYOB as evidenced by Kilimanjaro being awarded Partner of the year for 2023.

Rights Issue

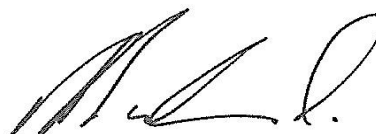
Enprise concluded a 1 for 5 rights issue on 22 September 2023 issuing 2,637,996 new shares ranking pari pasu with the existing issued capital at 50 cents per share which raised \$1,318,998 as per the NZX announcement dated 29 September 2023.

iSell Rights Issue

iSell closed applications for a rights issue on 14 September 2023 at 12 cents per share, which was fully under written subject to confidential conditions.



Nicholas Paul (Chairman)
28 February 2024



Ronald Baskind (Director)
28 February 2024

DIRECTORY

BOARD OF DIRECTORS

George Cooper	Chief Executive Officer - Enprise Group	appointed 10 April 2012
Lindsay Phillips	Non-Executive Director	appointed 1 December 2013
Nicholas Paul	Independent Non-Executive Chairperson	appointed 1 December 2015
Ronald Baskind	Chief Executive Officer - Kilimanjaro Division	appointed 31 January 2018
Dr Aneesha Varghese-Cowan	Independent Non-Executive Director	appointed 24 November 2022

REGISTERED OFFICE

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SHARE REGISTRY

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Phone: +64 9 375 5990

BANKERS

Bank of New Zealand Limited

COMPANY INFORMATION

NZBN	1562383
ARBN	125 825 792
ABN	41 125 825 792

Enprise Group Limited shares are listed on the NZX. The Group's share register is maintained by Link Market Services Limited. Link is your first point of contact for any queries regarding your investment in Enprise Group

PRINCIPAL ACTIVITIES

Enprise Group Limited (**Enprise**) is a hi-tech software and services investment company that has two operating divisions:

- Kilimanjaro Consulting (**Kilimanjaro**), a solutions provider for MYOB Enterprise software and companion products in Australia and New Zealand.
- iSell Pty Limited (**iSell**), a developer/seller of a cloud-based quoting system (ITQuoter) on a Software-as-a-Service (SaaS) model to the Managed Service Provider (MSP) market in Australia, UK/Europe, New Zealand, South Africa, and North America.

Enprise Group has two additional strategic investments:

- 32.92% of Datagate Innovation Limited (**Datagate**), a developer/provider of online reporting/billing services under a SaaS model for MSP's reselling Telecom/Utility services in North America, Australia, New Zealand, and UK/Europe.
- 6.35% of Vadacom Limited (**Vadacom**), a developer/provider of multi-tenant cloud based VoIP solution for corporations in New Zealand and Australia.

INTERIM FINANCIAL STATEMENTS

for the six months ended 31 December 2023

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STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2023

		31 Dec 2023	31 Dec 2022	30 June 2023
		Unaudited	Unaudited	Audited
	Note	6 mths \$'000	6 mths \$'000	12 mths \$'000
Revenue from contracts with customers	3	10,328	9,487	20,751
Employee expense	4	(7,968)	(7,814)	(15,784)
Other operating costs		(3,376)	(2,996)	(7,403)
Other gains/(losses) - net		(59)	(109)	(77)
Operating profit/(loss)		(1,075)	(1,432)	(2,513)
Equity earnings/(losses) from associates and joint ventures		(59)	(237)	(330)
Other gains/(losses) related to associates and joint ventures		9	-	-
Impairment of intangible assets		-	(3,364)	(6,786)
Finance cost - net		(112)	(79)	(219)
Profit/(loss) before income tax		(1,237)	(5,112)	(9,848)
Income tax benefit/(expense)		325	(418)	(904)
Profit/(loss) for the period		(912)	(5,530)	(10,752)
Other Comprehensive Income				
<i>Items that may be reclassified to profit or loss</i>				
Foreign currency translation differences		52	(221)	(40)
<i>Items that will not be reclassified to profit or loss</i>				
Changes in the fair value of investments through other comprehensive income		-	-	(175)
Total other comprehensive income/(loss) for the period, net of tax		52	(221)	(215)
Total comprehensive income/(loss) for the period		(860)	(5,751)	(10,967)
Profit for the period is attributable to:				
Non-Controlling Interest		(65)	(123)	(473)
Owners of Enprise Group Limited		(847)	(5,407)	(10,279)
		(912)	(5,530)	(10,752)
Total comprehensive income for the period is attributable to				
Non-Controlling Interest		(65)	(123)	(473)
Owners of Enprise Group Limited		(795)	(5,628)	(10,494)
		(860)	(5,751)	(10,967)

Earnings per share from profit for the period attributable to ordinary shareholders of the Enprise Group Limited

Basic and diluted earnings per share (see note 5) cents per share (4.51) (32.96) (60.82)

STATEMENT OF FINANCIAL POSITION

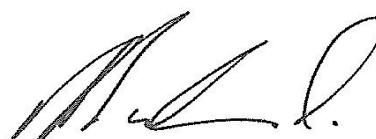
as at 31 December 2023

	Note	31 Dec 2023 Unaudited \$'000	31 Dec 2022 Unaudited \$'000	30 June 2023 Audited \$'000
ASSETS				
<i>Current</i>				
Cash and cash equivalents	10	1,946	1,579	1,178
Trade and other receivables		2,595	2,621	3,911
Contract assets		488	1,045	669
Current tax assets		24	44	24
Staff receivables		-	-	12
Other current assets		27	-	-
Total current assets		5,080	5,289	5,794
<i>Non-current</i>				
Investments in joint ventures and associates	7	862	830	912
Investments in other entities	8	452	627	452
Staff receivables		26	-	17
Property plant and equipment		357	357	388
Intangible assets	9	2,671	7,459	2,948
Right-of-use assets		851	1,006	1,098
Deferred tax asset		1,292	1,707	1,267
Loans to related parties	11(e)	8	73	32
Other non-current assets		42	36	36
Total non-current assets		6,561	12,095	7,150
Total assets		11,641	17,384	12,944
LIABILITIES				
<i>Current</i>				
Trade and other payables		3,033	2,864	3,430
Provisions		1,838	1,568	1,985
Contract liabilities		1,617	2,350	1,689
Borrowings	10	1,107	1,817	2,096
Lease liabilities		360	288	498
Total current liabilities		7,955	8,887	9,698
<i>Non-current</i>				
Provisions		458	426	356
Lease liabilities		628	845	734
Deferred tax liability		375	605	710
Total non-current liabilities		1,461	1,876	1,800
Total liabilities		9,416	10,763	11,498
Net assets		2,225	6,621	1,446
EQUITY				
Share capital	5(a)	13,392	12,039	12,080
Foreign exchange translation reserve		363	130	311
Financial assets at FVOCI reserve		353	528	353
Retained earnings/(losses)		(11,473)	(6,113)	(10,985)
Equity attributable to the owners of Enprise Group Limited		2,635	6,584	1,759
Non-controlling interests	6	(410)	37	(313)
Total equity		2,225	6,621	1,446

For and on behalf of the Board of Directors who authorise the issue of the financial statements



Nicholas Paul (Chairman)
28 February 2024



Ronald Baskind (Director)
28 February 2024

Total assets per share (\$ per share)	0.58	1.00	0.74
Net tangible assets per share (\$ per share)	(0.02)	(0.05)	(0.09)

STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2023

	Share capital	Foreign exchange translation reserve	Financial assets at FVOCI reserve	Retained earnings	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	11,010	351	528	(696)	161	11,354
<i>Transactions with shareholders in their capacity as owners</i>						
Dividends paid	-	-	-	-	-	-
New shares issued	1,029	-	-	-	-	1,029
Transactions with non-controlling interests	-	-	-	(10)	(1)	(11)
Total transactions with shareholders	1,029	-	-	(10)	(1)	1,018
<i>Comprehensive income</i>						
Profit/(loss) for the period	-	-	-	(5,407)	(123)	(5,530)
Other comprehensive income/(loss)	-	(221)	-	-	-	(221)
Total comprehensive income/(loss) net of tax	-	(221)	-	(5,407)	(123)	(5,751)
Balance at 31 December 2022 (unaudited)	12,039	130	528	(6,113)	37	6,621
Balance at 1 July 2023	12,080	311	353	(10,985)	(313)	1,446
<i>Transactions with shareholders in their capacity as owners</i>						
New shares issued	1,312	-	-	-	-	1,312
Transactions with non-controlling interests	-	-	-	359	(32)	327
Total transactions with shareholders	1,312	-	-	359	(32)	1,639
<i>Comprehensive income</i>						
Profit/(loss) for the period	-	-	-	(847)	(65)	(912)
Other comprehensive income/(loss)	-	52	-	-	-	52
Total comprehensive income/(loss) net of tax	-	52	-	(847)	(65)	(860)
Balance at 31 December 2023 (unaudited)	13,392	363	353	(11,473)	(410)	2,225
Balance at 1 July 2022	11,010	351	528	(696)	161	11,354
<i>Transactions with shareholders in their capacity as owners</i>						
New shares issued	1,070	-	-	-	-	1,070
Transactions with non-controlling interests	-	-	-	(10)	(1)	(11)
Total transactions with shareholders	1,070	-	-	(10)	(1)	1,059
<i>Comprehensive income</i>						
Profit/(loss) for the period	-	-	-	(10,279)	(473)	(10,752)
Other comprehensive income/(loss)	-	(40)	(175)	-	-	(215)
Total comprehensive income/(loss) net of tax	-	(40)	(175)	(10,279)	(473)	(10,967)
Balance at 30 June 2023 (audited)	12,080	311	353	(10,985)	(313)	1,446

STATEMENT OF CASH FLOWS

for the six months ended 31 December 2023

	Note	31 Dec 2023 Unaudited 6 mths \$'000	31 Dec 2022 Unaudited 6 mths \$'000	30 June 2023 Audited 12 mths \$'000
OPERATING ACTIVITIES				
<i>Cash was provided from:</i>				
Receipts from customers		14,829	13,729	21,616
Interest received		2	11	6
<i>Cash was applied to:</i>				
Payments to suppliers & employees		(14,113)	(14,289)	(22,105)
Interest paid		(126)	(104)	(239)
Income tax paid		-	(64)	(3)
Net cash inflow (outflow) from operating activities	12	592	(717)	(725)
INVESTING ACTIVITIES				
<i>Cash was provided from:</i>				
Loans repaid by staff		1	-	2
Loans repaid by related parties		24	-	42
<i>Cash was applied to:</i>				
Purchase of property, plant and equipment		(30)	(41)	(77)
Software development costs		(212)	(271)	(516)
Investment in equity accounted investment		-	(259)	(434)
Net cash inflow (outflow) from investing activities		(217)	(571)	(983)
FINANCING ACTIVITIES				
<i>Cash was provided from:</i>				
Proceeds from issue of shares		1,312	1,029	1,040
Proceeds of bank borrowings		-	723	723
Proceeds from issue of shares in iSell Pty Limited to non-controlling interests		301	-	-
<i>Cash was applied to:</i>				
Purchase of shares in iSell Pty Limited from non-controlling interests		-	(11)	(11)
Repayment of lease liabilities		(240)	(318)	(595)
Repayment of bank borrowings		(200)	(192)	(388)
Repayment of other borrowings		-	(41)	(42)
Net cash inflow (outflow) from financing activities		1,173	1,190	727
Net increase / (decrease) in cash and cash equivalents held		1,548	(98)	(981)
Net foreign exchange differences		10	(12)	(6)
Cash and cash equivalents at beginning of the period		229	1,216	1,216
Net (bank overdraft / cash and cash equivalents at end of the period)	10	1,787	1,106	229
<i>Represented by:</i>				
Cash and cash equivalents		1,946	1,579	1,178
Bank overdraft		(159)	(473)	(949)
Net (bank overdraft / cash and cash equivalents at end of the period)		1,787	1,106	229

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2023

1 BASIS OF PREPARATION

(a) Reporting entity

Enprise Group Limited (the company) and its subsidiaries (together the Group) is a hi-tech software and services investment company in Australia and New Zealand.

The company is a profit-orientated limited liability company incorporated and domiciled in New Zealand and is listed on the New Zealand Stock Exchange (NZX) Main Board. The Group is registered under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Markets Conduct Act (FMCA) 2013.

(b) Compliance statement

The interim condensed consolidated financial statements are for Enprise Group Limited and its subsidiaries and have been prepared in accordance with:

- IAS 34 Interim Financial Reporting and NZ IAS 34 Interim Financial Reporting;
- Generally Accepted Accounting Practice (GAAP) applicable to for-profit entities
- the requirements of the Financial Market Conduct Act 2013, the Companies Act 1993, and the NZX listing rules;
- the going concern convention, which contemplates continuity of normal business activities, the realisation of assets, and the settlement of liabilities in the ordinary course of business.

(c) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities at fair value.

The consolidated financial statements are presented in New Zealand dollars which is the Company's functional currency and the Group's presentation currency. All financial information has been prepared in thousands, unless otherwise stated.

(d) Principles of consolidation

The condensed interim consolidated financial statements relate to the company and its subsidiaries.

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries are changed when necessary to ensure consistency with the policies adopted by the Company.

Name of Entity	Country of incorporation	Principal Activity	Percentage ownership		
			31 Dec 2023	31 Dec 2022	30 June 2023
Kilimanjaro Consulting Limited	New Zealand	Software sales and solutions	100.00	100.00	100.00
Kilimanjaro Consulting Pty Limited	Australia	Software sales and solutions	100.00	100.00	100.00
Enprise Limited	New Zealand	Non-trading	100.00	100.00	100.00
Global Bizpro Limited	New Zealand	Non-trading	100.00	100.00	100.00
iSell Pty Limited	Australia	Software sales and solutions	72.51	75.25	75.25
ITQuoter Limited	New Zealand	Software sales and solutions	72.51	75.25	75.25
ITQuoter North America Inc	United States	Software sales and solutions	72.51	75.25	75.25
iSell Philippines Inc	Philippines	Software sales and solutions	72.51	75.25	75.25

(e) Accounting policies and significant estimates and assumptions

The same accounting policies included in the Group's Annual Report for the year ended 30 June 2023 have been applied when preparing these financial statements. There have been no changes to accounting policies, estimates and assumptions.

The unaudited financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2023

2 SEGMENT INFORMATION

The Group is organised into three reportable operating segments based on the 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.

The Board of Directors is the Group's chief operating decision maker (CODM). Management has determined the operating segments based on the information reviewed by the Board of Directors and the Chief Executive Officer for the purposes of allocating resources and assessing performance.

(a) Operational performance

Business segments	Revenue			Operating profit		
	31 Dec 2023		31 Dec 2022		30 June 2023	
	6 mths	\$'000	6 mths	\$'000	12 mths	\$'000
Kilimanjaro Consulting	9,650		8,896		19,501	
iSell	660		560		1,201	
Corporate	18		31		49	
	10,328		9,487		20,751	
Equity earnings and gains related to associates and joint ventures					(52)	
Impairment of intangible assets					(458)	
Net interest expense					(401)	
					(622)	
					(547)	
					(1,432)	
					(237)	
					(3,364)	
					(79)	
					(219)	
Profit/(loss) before taxation					(1,237)	
Income Tax					325	
Net profit/(loss) attributable to shareholders					(912)	
					(5,112)	
					(9,848)	
					(904)	
					(10,752)	

Geographic segments	Revenue					
	31 Dec 2023		31 Dec 2022		30 June 2023	
	6 mths	\$'000	6 mths	\$'000	12 mths	\$'000
New Zealand	3,281		3,306		6,868	
Australia	6,953		6,094		13,711	
EMEA*	80		78		154	
North America	14		7		16	
Asia	-		2		2	
	10,328		9,487		20,751	

* Europe, Middle East and Africa

(b) Interest, depreciation and amortisation

	Interest revenue			Interest expense		
	31 Dec 2023		31 Dec 2022		30 June 2023	
	6 mths	\$'000	6 mths	\$'000	12 mths	\$'000
New Zealand	2		14		17	
Australia	-		1		3	
	2		15		20	
					100	
					84	
					14	
					10	
					200	
					39	
					114	
					94	
					239	

	Depreciation and amortisation expense					
	31 Dec 2023		31 Dec 2022		30 June 2023	
	6 mths	\$'000	6 mths	\$'000	12 mths	\$'000
New Zealand	123		145		290	
Australia	652		533		2,515	
	775		678		2,805	

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2023

2 SEGMENT INFORMATION (CONTINUED)

(c) Balance sheet information

	Total assets			Total liabilities		
	31 Dec 2023	31 Dec 2022	30 June 2023	31 Dec 2023	31 Dec 2022	30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
New Zealand	6,807	8,220	7,817	3,882	4,997	4,906
Australia	6,475	10,990	7,346	7,175	7,592	8,811
	13,282	19,210	15,163	11,057	12,589	13,717
Inter-segment elimination	(1,641)	(1,826)	(2,219)	(1,641)	(1,826)	(2,219)
	11,641	17,384	12,944	9,416	10,763	11,498

	Total assets			Total liabilities		
	31 Dec 2023	31 Dec 2022	30 June 2023	31 Dec 2023	31 Dec 2022	30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Kilimanjaro Consulting	8,631	11,947	9,727	8,772	9,639	9,937
iSell	1,557	2,999	1,618	1,454	1,395	1,998
Corporate	3,568	4,847	4,417	1,305	2,138	2,381
	13,756	19,793	15,762	11,531	13,172	14,316
Inter-segment elimination	(2,115)	(2,409)	(2,818)	(2,115)	(2,409)	(2,818)
	11,641	17,384	12,944	9,416	10,763	11,498

3 REVENUE

	31 Dec 2023		31 Dec 2022		30 June 2023	
	6 mths	\$'000	6 mths	\$'000	12 mths	\$'000
Revenue from software and licences		2,493		2,135		5,298
Revenue from services and support		6,171		5,956		12,488
Revenue from iSell		660		559		1,201
Revenue from hosting services		1,001		835		1,762
Revenue from other fees		3		2		2
		10,328		9,487		20,751

Geographical location 31 Dec 2023	Software & licences	Services and support	Hosting services	iSell	Other fees	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	6 mths \$'000
New Zealand	799	1,996	375	109	2	3,281
Australia	1,694	4,175	626	457	1	6,953
EMEA*	-	-	-	80	-	80
North America	-	-	-	14	-	14
Asia	-	-	-	-	-	-
	2,493	6,171	1,001	660	3	10,328

* Europe, Middle East and Africa

Geographical location 31 Dec 2022	Software & licences	Services and support	Hosting services	iSell	Other fees	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	6 mths \$'000
New Zealand	772	2,127	339	66	2	3,306
Australia	1,363	3,829	496	406	-	6,094
EMEA*	-	-	-	78	-	78
North America	-	-	-	7	-	7
Asia	-	-	-	2	-	2
	2,135	5,956	835	559	2	9,487

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2023

3 REVENUE (CONTINUED)

Geographical location 30 June 2023	Software & licences \$'000	Services and support \$'000	Hosting Services \$'000	iSell \$'000	Other fees \$'000 12 mths	Total \$'000
New Zealand	1,605	4,379	703	179	2	6,868
Australia	3,693	8,109	1,059	850	-	13,711
EMEA*	-	-	-	154	-	154
North America	-	-	-	16	-	16
Asia	-	-	-	2	-	2
	5,298	12,488	1,762	1,201	2	20,751

4 EMPLOYEE BENEFIT EXPENSE

	31 Dec 2023 6 mths \$'000	31 Dec 2022 6 mths \$'000	30 June 2023 12 mths \$'000
Wages and salaries	7,418	7,223	14,668
Superannuation	505	548	1,028
Directors remuneration	45	43	88
	7,968	7,814	15,784

5 SHARE CAPITAL AND EARNINGS PER SHARE

(a) Share capital

Share capital comprises of ordinary shares only. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

All shares on issue are fully paid. All ordinary shares rank equally with one vote attached to each fully paid ordinary share and have equal dividend rights and no par value.

Contributed equity ordinary shares	Number of authorised shares			Share capital		
	31 Dec 2023 shares	31 Dec 2022 shares	30 June 2023 shares	31 Dec 2023 \$'000	31 Dec 2022 \$'000	30 June 2023 \$'000
Opening ordinary shares	17,430,061	16,157,699	16,157,699	12,080	11,010	11,010
Share issue - Rights issue	2,637,996	1,210,662	1,210,662	1,312	1,029	1,017
Share issue - Staff share issue	-	-	61,700	-	-	53
	20,068,057	17,368,361	17,430,061	13,392	12,039	12,080

(b) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares on issue during the year. Diluted earnings per share assumes conversion of all dilutive potential ordinary shares in determining the denominator.

There are no instruments that could potentially dilute earnings per share.

	31 Dec 2023 6 mths \$'000	31 Dec 2022 6 mths \$'000	30 June 2023 12 mths \$'000
Earnings for the purpose of basic and diluted earnings per share:			
Net profit attributable to shareholders	(847)	(5,407)	(10,279)
Weighted average number of ordinary shares for basic earnings per share	18,771	16,402	16,901
Basic and diluted earnings per share (cents)	(4.51)	(32.96)	(60.82)

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2023

6 NON CONTROLLING INTEREST

Enprise Group Limited consolidates 100% of iSell's results and presents the portion of profit/(loss) and other comprehensive income attributable to a non-controlling interest (NCI).

Enprise Group Limited acquired a controlling stake in iSell on 27 May 2020, since then the percentage of control held by the group has increased as shares have been acquired from non controlling interests and through rights issues.

During the year, a rights issue in October 2023 affected Enprise's shareholding in iSell, ultimately resulting in a non-controlling interest percentage of 27.49% at 31 December 2023 (24.75% at 30 June 2023; 24.75% at 31 December 2022).

Non-controlling interest	31 Dec 2023 \$'000	31 Dec 2022 \$'000	30 June 2023 \$'000
Carrying amount at the beginning of the period	(313)	161	161
Transactions with non-controlling interests	327	-	(22)
Purchase of shares from non-controlling interest	-	(11)	11
Movement attributable to the owners of the parent	(359)	10	10
Share of profit/(loss) for the period	(65)	(123)	(473)
	(410)	37	(313)

7 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Carrying amount of joint ventures and associates	31 Dec 2023 \$'000	31 Dec 2022 \$'000	30 June 2023 \$'000
Carrying amount at the beginning of the period	912	285	285
New investment in joint ventures and associates	-	782	957
Equity earnings/(losses) from associates and joint ventures	(59)	(237)	(330)
Other gains/(losses) related to associates and joint ventures	9	-	-
	862	830	912

Investment in joint venture or associate	31 Dec 2023 \$'000	31 Dec 2022 \$'000	30 June 2023 \$'000
<i>Investment in equity accounted joint venture</i>			
Datagate Innovation Limited	862	830	912
	862	830	912

The Group's joint venture and associates at 31 Dec 2023 are set out below. The country of incorporation or registration is also their principal place of business.

Name of Entity	Country of incorporation	Principal Activity	Percentage ownership		
			31 Dec 2023	31 Dec 2022	30 June 2023
Datagate Innovation Limited	New Zealand	Software sales	32.92	32.00	32.96

8 INVESTMENTS IN OTHER ENTITIES

Carrying amount of investments in other entities	31 Dec 2023 \$'000	31 Dec 2022 \$'000	30 June 2023 \$'000
Carrying amount at the beginning of the period	452	627	627
Changes in fair value of other investments	-	-	(175)
	452	627	452

	31 Dec 2023 \$'000	31 Dec 2022 \$'000	30 June 2023 \$'000
Vadacom Holdings Limited	452	627	452

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2023

9 INTANGIBLE ASSETS

	Software	Customer relationships	Intellectual Property	Goodwill	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2022 (audited)					
Cost	3,316	1,276	325	7,720	12,637
Accumulated amortisation and impairment	(588)	(811)	(65)	-	(1,464)
Net book value	2,728	465	260	7,720	11,173
Period ended 31 December 2022 (unaudited)					
Opening net book value amount	2,728	465	260	7,720	11,173
Additions	271	-	-	-	271
Exchange differences	(102)	(13)	-	(224)	(339)
Amortisation charge	(158)	(92)	(32)	-	(282)
Impairment charge	-	-	-	(3,364)	(3,364)
Closing net book value	2,739	360	228	4,132	7,459
As at 31 December 2022 (unaudited)					
Cost	3,485	1,263	325	7,496	12,569
Accumulated amortisation and impairment	(746)	(903)	(97)	(3,364)	(5,110)
Net book value	2,739	360	228	4,132	7,459
Year ended 30 June 2023 (audited)					
Opening net book value amount	2,728	465	260	7,720	11,173
Recassification from property, plant and equipment	58	-	-	-	58
Additions	517	-	-	-	517
Exchange differences	(42)	(7)	-	-	(49)
Amortisation charge	(1,719)	(181)	(65)	-	(1,965)
Impairment charge	(165)	(128)	-	(6,493)	(6,786)
Closing net book value	1,377	149	195	1,227	2,948
As at 30 June 2023 (audited)					
Cost	3,949	1,269	325	7,720	13,263
Accumulated amortisation and impairment	(2,572)	(1,120)	(130)	(6,493)	(10,315)
Net book value	1,377	149	195	1,227	2,948
Period ended 31 December 2023 (unaudited)					
Opening net book value amount	1,377	149	195	1,227	2,948
Additions	212	-	-	-	212
Exchange differences	(13)	(1)	-	-	(14)
Amortisation charge	(353)	(89)	(33)	-	(475)
Closing net book value	1,223	59	162	1,227	2,671
As at 31 December 2023 (unaudited)					
Cost	4,148	1,268	325	7,720	13,461
Accumulated amortisation and impairment	(2,925)	(1,209)	(163)	(6,493)	(10,790)
Net book value	1,223	59	162	1,227	2,671

Significant intangible assets held are as follows:

	Carrying amount
	\$'000
Customer relationships - Kilimanjaro Consulting Pty Limited	24
Customer relationships - iSell Pty Limited	34
Software - ITQuoter	1,194
Intellectual Property	162

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2023

9 INTANGIBLE ASSETS (CONTINUED)

The carrying amounts of goodwill allocated to the cash generating units are outlined below:	31 Dec 2023 \$'000	31 Dec 2022 \$'000	30 June 2023 \$'000
Kilimanjaro Consulting - New Zealand	1,227	1,227	1,227
Kilimanjaro Consulting - Australia	-	2,905	-
iSell	-	-	-
	1,227	4,132	1,227

(a) Impairment Testing - Kilimanjaro

An independent assessment of the fair value of the Kilimanjaro cash generating units (CGU's) was conducted at 30 June 2023, for the purpose of considering the fair value less cost of disposal of the CGU. The Level 3 fair value estimate was lower than the carrying value of the Kilimanjaro AU cash generating unit, but higher than the NZ cash generating unit. Information pertaining to each CGU and the impairment that occurred at 30 June 2023 is presented below.

The directors have reviewed the recognised goodwill and intangible assets, and considered that the expected increase in profitability of Kilimanjaro in both Australia and New Zealand for the remaining six months of the financial year and that forecasts for the future periods cash generating expectations, due to the agreement reached with MYOB, revenue growth and cost saving measures, the board has elected not to impair the goodwill of the New Zealand cash generating unit at 31 December 2023.

Australian cash generating unit

	30 June 2023 \$'000
Recoverable Amount	270
Carrying Amount	5,869
Impairment Loss	(5,599)

The table below summarises the quantitative information about the significant unobservable inputs used in this level 3 fair value measurement.

The valuation technique has been adjusted from a earnings multiple valuation methodology in the prior year to a discounted cash flow methodology in the current year. This revised methodology was adopted to more accurately capture expected future changes in the various revenue streams of the entity, and their divergent impact on profitability.

The discounted cash flow valuation used to determine the CGU's recoverable amount in the current period uses 5 years of projected cash flows and a terminal value.

Key Assumption	Value	Basis for determining value assigned to key assumptions	
Growth Rate	3.21%	Determined based on historical trend growth and management's future expectations	
WACC	13.47%	Determined primarily based on external sources of information, adjusted for entity specific risks.	
Sensitivity Analysis	Current Value	Reasonably possible change	Impact of change
Growth Rate	3.21%	Decrease by 3%	Additional impairment loss of \$270,000
WACC	13.47%	Increase by 1%	N/A, terminal cash flow estimate is negative

New Zealand cash generating unit

The table below summarises the quantitative information about the significant unobservable inputs used in this level 3 fair value measurement.

Key Assumption	Value	Basis for determining value assigned to key assumptions	
Growth Rate	2.93%	Determined based on historical trend growth and management's future expectations	
WACC	14.49%	Determined primarily based on external sources of information, adjusted for entity specific risks.	
Sensitivity Analysis	Current Value	Reasonably possible change	
Growth Rate	2.93%	No reasonably possible change which would cause an impairment loss	
WACC	14.49%	No reasonably possible change which would cause an impairment loss	

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for the six months ended 31 December 2023

9 INTANGIBLE ASSETS (CONTINUED)

(b) Impairment Testing - iSell Pty Limited

An independent assessment of the fair value of the iSell cash generating unit (CGU's) was conducted at 30 June 2023, for the purpose of considering the fair value less cost of disposal of the CGU. The Level 2 fair value estimate was lower than the carrying value of the cash generating unit. Information pertaining to each CGU and the impairment that occurred at 30 June 2023 is presented below.

The Directors have determined that there is to be no further impairment of the iSell cash generating unit at 31 December 2023.

	30 June 2023
	\$'000
Recoverable Amount	2,039
Carrying Amount	3,620
Impairment Loss	(1,581)

The table below summarises the quantitative information about the significant inputs used in this level 2 fair value measurement.

The valuation technique has been adjusted from a earnings multiple valuation methodology in the prior year to a comparable sales methodology in the current year. This revised methodology was adopted as a capital raising conducted after year end provided more direct and comparable valuation evidence as to the value of iSell shares.

Key Assumption	Value	Basis for determining value assigned to key assumptions	
Value per share	A\$0.12	Determined based on capital raise conducted subsequent to year end	
Sensitivity Analysis	Current	Reasonably possible change	Impact of change
Value per share	A\$0.12	Decrease by 10%	Additional impairment loss of \$204,000

10 CASH AND CASH EQUIVALENTS / BORROWINGS

	31 Dec 2023	31 Dec 2022	30 June 2023
	\$'000	\$'000	\$'000
<i>Current cash on hand / (borrowings)</i>			
Cash on hand and at bank	1,946	1,579	1,178
Bank overdraft	(159)	(473)	(949)
Cash and cash equivalents	1,787	1,106	229
Bank borrowings	(948)	(1,344)	(1,147)
Current borrowing	839	(238)	(918)
Non-current borrowings	-	-	-
Net cash on hand	839	(238)	(918)

	31 Dec 2023	31 Dec 2022	30 June 2023
	\$'000	\$'000	\$'000
<i>Borrowings</i>			
Bank loan	(948)	(1,344)	(1,147)
Bank overdraft	(159)	(473)	(949)
Total borrowings	(1,107)	(1,817)	(2,096)

(a) Summary of borrowing arrangements

On 4 February 2021, the Bank of New Zealand (BNZ) provided the Group with an overdraft facility of \$1,000,000 and a commercial loan facility of \$2,000,000. On 1 February 2024 the commercial loan was replaced with a new facility of \$947,680, repaying the balance of the previous commercial loan. At 31 December 2023 the balance owing on the commercial loan facility was \$947,680 with an interest rate of 9.19%

NOTES TO THE FINANCIAL STATEMENTS

for the six months ended 31 December 2023

11 RELATED PARTY TRANSACTIONS

(a) Interest in other Entities

The Group's principal subsidiaries are set out in note 1(d). Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group. The country of incorporation or registration is also their principal place of business.

(b) Ultimate Parent

The ultimate parent entity and controlling party is Enprise Group Limited. The Parent is domiciled in New Zealand.

(c) Transactions with Related Parties

During the period, the Group entered into the following trading transactions with related parties.

Name of Entity	Sale of services			Purchase of services		
	31 Dec 2023	31 Dec 2022	30 June 2023	31 Dec 2023	31 Dec 2022	30 June 2023
	6 mths \$'000	6 mths \$'000	12 mths \$'000	6 mths \$'000	6 mths \$'000	12 mths \$'000
Vadacom Limited*	18	21	36	-	-	-
Next Telecom*	-	-	-	16	19	35
Datagate Innovation Limited	-	-	13	-	-	-
	18	21	49	16	19	35

* Vadacom Limited and Next Telecom Limited are subsidiaries of Vadacom Holdings Limited

(d) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties.

Name of Entity	Amounts owed by related parties			Amounts owed to related parties		
	31 Dec 2023	31 Dec 2022	30 June 2023	31 Dec 2023	31 Dec 2022	30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Next Telecom Limited	-	-	-	2	2	7
Vadacom Limited	3	4	3	-	-	-
The Sales Factory Limited ***	-	-	-	4	4	4
Global CFO Solutions **	-	-	-	4	-	3
Nightingale Partners *	-	-	-	-	-	12
	3	4	3	10	6	26

* Lindsay Phillips

** Dr Aneesha Varghese-Cowan

*** Nicholas Paul

(e) Loans to/from related parties

The following balances are outstanding at the end of the reporting period in relation to both documented and undocumented loans with related parties.

Name of Entity	Amounts owed by related parties			Amounts owed to related parties		
	31 Dec 2023	31 Dec 2022	30 June 2023	31 Dec 2023	31 Dec 2022	30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Vadacom Limited	8	73	32	-	-	-
	8	73	32	-	-	-
Current	-	-	-	-	-	-
Non-Current	8	73	32	-	-	-
	8	73	32	-	-	-

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for the six months ended 31 December 2023

12 CASH FLOW RECONCILIATION

Cash flows are included in the statement of cash flows on a gross basis and includes the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority and is classified as part of operating cash flows.

Reconciliation of net profit to net cash flows from operations:	31 Dec 2023		31 Dec 2022		30 June 2023	
	6 mths	\$'000	6 mths	\$'000	12 mths	\$'000
Profit/(loss) for the period		(912)		(5,530)		(10,752)
<i>Adjustments for:</i>						
Depreciation and amortisation		775		679		2,805
Goodwill impairment		-		3,364		6,786
Net loss/(gain) on foreign exchange		1		122		20
Impairment loss on trade receivables		-		-		-
Share of loss from equity accounted investments		50		237		330
Movement in deferred tax		(306)		418		904
Loan issued in exchange for services		-		-		-
<i>Movements in working capital</i>						
(Increase)/decrease in trade and other receivable		1,289		446		(826)
(Increase)/decrease in contract assets		176		(243)		95
(Increase)/decrease in income taxes receivable		-		(64)		(43)
Increase/(decrease) in trade and other payables		(369)		(31)		435
Increase/(decrease) in provisions		(51)		55		133
Increase/(decrease) in contract liabilities		(61)		(170)		(612)
Net cash inflow from operating activities		592		(717)		(725)

13 CONTINGENT LIABILITIES

There were no other material contingent liabilities or assets at balance date (December 2022: nil, June 2023: nil).

14 SUBSEQUENT EVENTS AFTER BALANCE DATE

On 1 February 2024, the Bank of New Zealand (BNZ) provided the Group with a new commercial loan facility of \$947,680, maturing 24 April 2026 at an interest rate of 10.02% to repay the existing commercial loan facility that was continuing to operate under an extension granted by the BNZ from 31 October 2023.