



**Enprise Group Limited**

**Unaudited Results Announcement**

**for the year ended 30 June 2022**

## Enprise Group Limited

### Unaudited Consolidated Statement of Comprehensive Income for the year ended 30 June 2022

	30 June 2022	30 June 2021
	\$'000	\$'000
Revenue from contracts with customers	18,744	16,113
Government assistance	-	753
Employee expense	(15,057)	(11,806)
Other operating costs	(5,501)	(4,431)
Other gains/(losses) - net	32	-
<b>Operating profit/(loss)</b>	<b>(1,782)</b>	<b>629</b>
Equity earnings/(losses) from associates and joint ventures	(556)	(474)
Other gains/(losses) related to associates and joint ventures	8	344
Finance cost - net	(90)	(129)
<b>Profit/(loss) before income tax</b>	<b>(2,420)</b>	<b>370</b>
Income tax benefit	227	402
<b>Profit/(loss) for the period</b>	<b>(2,193)</b>	<b>772</b>
<b>Other Comprehensive Income</b>		
<i>Items that may be reclassified to profit or loss</i>		
Foreign currency translation differences	155	38
<i>Items that will not be reclassified to profit or loss</i>		
Changes in the fair value of investments through other comprehensive income	(60)	23
Total other comprehensive income/(loss) for the period, net of tax	95	61
<b>Total comprehensive income/(loss) for the period</b>	<b>(2,098)</b>	<b>833</b>
<b>Profit/(loss) for the period is attributable to:</b>		
Non-Controlling Interest	(357)	(326)
Owners of Enprise Group Limited	(1,836)	1,098
	<b>(2,193)</b>	<b>772</b>
<b>Total comprehensive income/(loss) for the period is attributable to</b>		
Non-Controlling Interest	(357)	(326)
Owners of Enprise Group Limited	(1,741)	1,159
	<b>(2,098)</b>	<b>833</b>
Earnings per share from profit/(loss) for the period attributable to ordinary shareholders of the Enprise Group Limited		
Basic and diluted earnings/(loss) per share (cents per share)	(11.36)	6.85

## Enprise Group Limited

### Unaudited Consolidated Statement of Financial Position as at 30 June 2022

	30 June 2022	30 June 2021
	\$'000	\$'000
<b>Current assets</b>		
Cash and cash equivalents	1,216	2,806
Trade and other receivables	3,190	2,821
Contract assets	831	713
Current tax assets	-	1
<b>Total current assets</b>	<b>5,237</b>	<b>6,341</b>
<b>Non-current assets</b>		
Investments in associates, joint ventures	285	833
Investments in other entities	627	687
Staff receivables	-	106
Property plant and equipment	406	384
Intangible assets	11,173	10,810
Right-of-use assets	1,340	1,568
Deferred tax asset	2,197	1,960
Loans to related parties	73	87
Other non-current assets	552	54
<b>Total non-current assets</b>	<b>16,653</b>	<b>16,489</b>
<b>Total assets</b>	<b>21,890</b>	<b>22,830</b>
<b>Current liabilities</b>		
Trade and other payables	2,963	2,555
Provisions	1,696	1,525
Contract liabilities	2,582	2,362
Current tax liabilities	19	-
Borrowings	853	50
Lease liabilities	495	572
<b>Total current liabilities</b>	<b>8,608</b>	<b>7,064</b>
<b>Non-current liabilities</b>		
Provisions	302	181
Lease liabilities	970	1,087
Deferred tax liability	656	705
<b>Total non-current liabilities</b>	<b>1,928</b>	<b>1,973</b>
<b>Total liabilities</b>	<b>10,536</b>	<b>9,037</b>
<b>Net assets</b>	<b>11,354</b>	<b>13,793</b>
<b>Equity</b>		
Share capital	11,010	11,010
Foreign exchange translation reserve	351	196
Financial assets at FVOCI reserve	528	588
Retained earnings / (accumulated losses)	(696)	1,444
<b>Equity attributable to the owners of Enprise Group Limited</b>	<b>11,193</b>	<b>13,238</b>
Non-controlling interests	161	555
<b>Total equity</b>	<b>11,354</b>	<b>13,793</b>
Total assets per share (\$ per share)	1.35	1.41
Net tangible assets per share (\$ per share)	(0.01)	0.13

## Enprise Group Limited

### Unaudited Consolidated Statement of Changes in Equity for the year ended 30 June 2022

	Share capital	Foreign exchange translation reserve	Financial assets at FVOCI reserve	Retained earnings / (accumulated losses)	Non- controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2020</b>	10,749	158	565	912	1,385	13,769
<i>Transactions with shareholders in their capacity as owners</i>						
Dividends paid	-	-	-	(639)	-	(639)
New shares issued	261	-	-	-	-	261
Transactions with non-controlling interests	-	-	-	73	(504)	(431)
<b>Total transactions with shareholders</b>	<b>261</b>	<b>-</b>	<b>-</b>	<b>(566)</b>	<b>(504)</b>	<b>(809)</b>
<i>Comprehensive income</i>						
Profit/(loss) for the period	-	-	-	1,098	(326)	772
Other comprehensive income	-	38	23	-	-	61
<b>Total comprehensive income net of tax</b>	<b>-</b>	<b>38</b>	<b>23</b>	<b>1,098</b>	<b>(326)</b>	<b>833</b>
<b>Balance at 30 June 2021</b>	<b>11,010</b>	<b>196</b>	<b>588</b>	<b>1,444</b>	<b>555</b>	<b>13,793</b>
<b>Balance at 1 July 2021</b>	11,010	196	588	1,444	555	13,793
<i>Transactions with shareholders in their capacity as owners</i>						
Dividends paid	-	-	-	(404)	-	(404)
Transactions with non-controlling interests	-	-	-	100	(37)	63
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(304)</b>	<b>(37)</b>	<b>(341)</b>
<i>Comprehensive income</i>						
Loss for the period	-	-	-	(1,836)	(357)	(2,193)
Other comprehensive income/(loss)	-	155	(60)	-	-	95
<b>Total comprehensive income/(loss) net of tax</b>	<b>-</b>	<b>155</b>	<b>(60)</b>	<b>(1,836)</b>	<b>(357)</b>	<b>(2,098)</b>
<b>Balance at 30 June 2022</b>	<b>11,010</b>	<b>351</b>	<b>528</b>	<b>(696)</b>	<b>161</b>	<b>11,354</b>

## Enprise Group Limited

### Unaudited Consolidated Statement of Cash Flows for the year ended 30 June 2022

	30 June 2022	30 June 2021
	\$'000	\$'000
<b>Operating activities</b>		
Cash was provided from:		
Receipts from customers	26,154	23,855
Government assistance	4	935
Interest received	1	2
	26,159	24,792
Cash was applied to:		
Payments to suppliers & employees	26,163	22,445
Interest paid	122	132
Income tax paid	20	-
	26,305	22,577
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(146)</b>	<b>2,215</b>
<b>Investing activities</b>		
Cash was provided from:		
Loans repaid by staff	-	13
Term deposits	-	100
Share buy back from other entities	-	62
Loans repaid by related parties	16	-
	16	175
Cash was applied to:		
Purchase of property, plant and equipment	181	190
Software development costs	305	272
Investment in equity accounted joint venture	-	335
Convertible note	500	-
Purchase of business	325	18
Lending to third parties	-	5
	1,311	820
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(1,295)</b>	<b>(645)</b>
<b>Financing activities</b>		
Cash was provided from:		
Proceeds from bank borrowings	1,000	-
Proceeds from issue of shares in iSell Pty Limited to non-controlling interests	136	146
	1,136	146
Cash was applied to:		
Dividends paid	404	378
Purchase of shares in iSell Pty Limited from non-controlling interests	74	576
Repayment of lease liabilities	612	656
Repayment of bank borrowings	188	441
Repayment of other borrowings	12	2
	1,290	2,053
<b>Net cash inflow/(outflow) from financing activities</b>	<b>(154)</b>	<b>(1,907)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>(1,595)</b>	<b>(337)</b>
Net foreign exchange differences	5	(26)
Cash and cash equivalents at beginning of the period	2,806	3,169
<b>Cash and cash equivalents at end of the period</b>	<b>1,216</b>	<b>2,806</b>

# Enprise Group Limited

## Notes to Accompany the Unaudited Results Announcement for the year ended 30 June 2022

### 1 CHANGES IN ACCOUNTING POLICIES

#### (a) Changes in accounting policies

There have been no changes in accounting policies, all policies have been applied consistently over the current year. Please refer to the accounting policies contained within the audited financial statements for the year ended 30 June 2021.

#### (b) Critical accounting judgements and estimates

In the process of applying the Group's accounting policies and the application of accounting standards, a number of estimates and judgements have been made. The estimates and underlying assumptions are based on historical experience and adjusted for current market conditions and other factors, including expectations of future events that are considered to be reasonable under the circumstances. The most significant of these of relevance to the reported results for the 2022 year include:

Impairment testing - goodwill and other intangible assets The group's intangible assets have been assessed by management and has not currently resulted in any impairment on intangible assets.

At the date of this announcement the non-current assets within the Kilimanjaro Consulting division have been assessed by management and tested for impairment based on allocation to the cash generating units on a value in use basis. This based on the current 2023 financial year budget and applies various assumptions around revenue growth and discount rates in determining the future cash flows from each CGU over the next 5 years. Whilst the draft assessment has not currently shown any impairment, further modelling is being undertaken to assess the impact of the MYOB Exo licence commission changes that Kilimanjaro are currently challenging. Please refer to the announcement on 1 August 2022 regarding further details of the licence margin reduction and impact.

An independent assessment of the fair value of iSell was conducted at 30 June 2022, for the purpose of considering the fair value less cost of disposal of the cash generating unit. The Level 3 fair value estimate was higher than the carrying value of the iSell cash generating unit, and indicated a fair value which would indicate no impairment, including allowance for costs of disposal and non-controlling interests share of goodwill.

Deferred tax The Group has recognised a deferred tax asset on its statement of financial position as at the reporting date. Significant judgement is required in determining if the utilisation of deferred tax assets is probable. The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest forecasts of future earnings of the Group and relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

### 2 SEGMENT INFORMATION

The Group is organised into two 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	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000
Kilimanjaro Consulting	17,618	15,239	351	2,404
iSell	1,093	865	(1,249)	(1,003)
Corporate	33	9	(884)	(772)
	18,744	16,113	(1,782)	629
Equity earnings of associates and joint ventures			(548)	(130)
Net interest expense			(90)	(129)
Profit/(loss) before taxation			(2,420)	370
Income Tax			227	402
Net profit/(loss) attributable to shareholders			(2,193)	772

## Enprise Group Limited

### Notes to Accompany the Unaudited Results Announcement for the year ended 30 June 2022

#### 2 SEGMENT INFORMATION (CONTINUED)

##### (b) Operational performance - Geographic segments

	Revenue	
	30 June 2022	30 June 2021
	\$'000	\$'000
New Zealand	6,066	4,517
Australia	12,474	11,387
EMEA*	152	107
North America	9	4
Asia	43	98
	18,744	16,113

\* Europe, Middle East and Africa

##### (c) Interest, depreciation and amortisation

	Interest revenue		Interest expense		Depreciation and amortisation expense	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
New Zealand	22	4	92	72	292	194
Australia	-	1	20	62	1,062	1,152
	22	5	112	134	1,354	1,346

##### (d) Balance sheet information

	Non-current assets other than financing and deferred tax		Total assets		Total liabilities	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Kilimanjaro Consulting	9,052	8,926	15,717	15,730	11,374	7,547
iSell	3,867	3,835	4,150	4,699	625	1,134
Corporate	912	1,520	4,645	2,226	1,158	181
	13,831	14,281	24,512	22,655	13,157	8,862
Inter-segment elimination	-	-	(2,622)	175	(2,622)	175
	13,831	14,281	21,890	22,830	10,535	9,037
New Zealand	3,746	3,804	9,502	6,643	5,236	2,667
Australia	10,085	10,477	15,764	16,260	8,676	6,443
	13,831	14,281	25,266	22,903	13,912	9,110
Inter-segment elimination	-	-	(3,376)	(73)	(3,376)	(73)
	13,831	14,281	21,890	22,830	10,536	9,037

#### 3 REVENUE

##### (a) Revenue streams

	30 June 2022	30 June 2021
	\$'000	\$'000
Revenue from Enterprise software and licences	4,852	4,280
Revenue from services and support	11,398	9,934
Revenue from iSell	1,093	865
Revenue from hosting services	1,388	1,032
Revenue from other fees	13	2
	18,744	16,113

## Enprise Group Limited

### Notes to Accompany the Unaudited Results Announcement for the year ended 30 June 2022

#### 3 REVENUE (CONTINUED)

##### (a) Revenue by geographical location

30 June 2022	Revenue from software and licences \$'000	Revenue from services and support \$'000	Revenue from iSell \$'000	Revenue from hosting services \$'000	Revenue from other fees \$'000	Total \$'000
New Zealand	1,870	3,466	124	598	8	6,066
Australia	2,982	7,932	765	790	5	12,474
EMEA*	-	-	152	-	-	152
North America	-	-	9	-	-	9
Asia	-	-	43	-	-	43
	4,852	11,398	1,093	1,388	13	18,744

\* Europe, Middle East and Africa

30 June 2021	Revenue from software and licences \$'000	Revenue from services and support \$'000	Revenue from iSell \$'000	Revenue from hosting services \$'000	Revenue from other fees \$'000	Total \$'000
New Zealand	1,401	2,562	96	456	2	4,517
Australia	2,879	7,372	560	576	-	11,387
EMEA*	-	-	107	-	-	107
North America	-	-	4	-	-	4
Asia	-	-	98	-	-	98
	4,280	9,934	865	1,032	2	16,113

Kilimanjaro Consulting revenue	30 June 2022 \$'000	30 June 2021 \$'000
Recurring revenue from Enterprise software licences	3,897	3,321
Contracted revenue from hosting and support agreements	3,325	2,645
Revenue from other services	10,396	9,273
	17,618	15,239

iSell revenue	30 June 2022 \$'000	30 June 2021 \$'000
Recurring revenue from iSell software licences	974	684
Revenue from other services	119	181
	1,093	865

Corporate revenue	30 June 2022 \$'000	30 June 2021 \$'000
Revenue from services	33	9
	33	9



## Enprise Group Limited

### Notes to Accompany the Unaudited Results Announcement for the year ended 30 June 2022

#### 4 EQUITY

##### (a) Share capital

Contributed equity - ordinary shares	Number of authorised shares		Share capital	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	shares	shares	\$'000	\$'000
Opening ordinary shares	16,157,699	15,900,895	11,010	10,749
Issue of ordinary shares - Dividend reinvestment plan	-	256,804	-	261
	16,157,699	16,157,699	11,010	11,010

On 23 October 2020, 150,693 shares were issued under the dividend reinvestment plan at \$1.0378 per share. On 16 March 2021, 106,111 shares were issued under the dividend reinvestment plan at \$0.9883 per share.

##### (b) Dividends

	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	cents per share	cents per share	\$'000	\$'000
Final dividend for the period ended 30 June 2020	-	2.00	-	318
Interim dividend for the period ended 30 June 2021	-	2.00	-	321
Final dividend for the period ended 30 June 2021	2.50	-	404	-
	2.50	4.00	404	639

#### 5 CASH FLOW RECONCILIATION

Reconciliation of net profit to net cash flows from operations:	30 June 2022	30 June 2021
	\$'000	\$'000
Profit/(Loss) before tax	(2,420)	370
<b>Adjustments for:</b>		
Depreciation on property plant and equipment	162	146
Loss on disposal of property plant and equipment	5	-
Depreciation on right-of-use assets	648	727
Amortisation on intangible assets	544	476
Net loss/(gain) on foreign exchange	5	10
Share of loss from equity accounted investments	548	130
<b>Movements in working capital</b>		
(Increase)/decrease in trade and other receivable	(326)	78
(Increase)/decrease in contract assets	(100)	(67)
(Increase)/decrease in income taxes receivable	18	(1)
Increase/(decrease) in trade and other payables	357	(232)
Increase/(decrease) in provisions	245	205
Increase/(decrease) in contract liabilities	168	373
Net cash inflow/(outflow) from operating activities	(146)	2,215