

APPENDIX 1 RELEASE

2 November 2018

This document covers Energy Mad Limited's unaudited financial results for the six months ended 30 September 2018.

ENERGY MAD LIMITED RESULTS FOR ANNOUNCEMENT TO THE MARKET

Reporting period	6 months to 30 September 2018
Previous reporting period	6 months to 30 September 2017

	Amount (\$'000s)	Percentage Change
Revenue from ordinary activities	NZ\$ 123	-77.16%
Profit / (loss) from continuing activities attributable to security holders	NZ\$ (483)	+4.54%
Net profit / (loss) attributable to security holders	NZ\$ (483)	+4.54%

Net tangible asset per security	30 September 2018	-2 cents
	30 September 2017	-17 cents

Interim Dividend	Amount per Security	Imputed Amount per Security
No dividend is proposed	Not applicable	Not applicable

Record Date:	Not applicable
Dividend Payable Date:	Not applicable

Audit	The financial statements have not been audited
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The attached Condensed Interim Report is the unaudited financial statements of the Group for the six months ended 30 September 2018.

Commentary

The results reflect the decision to conduct an orderly wind down of the business and sale of Energy Mad's residual assets.

- Operating revenue of \$123,109 for the six months ended 30 September 2018, was well down on the corresponding period in 2017 (\$538,917). This reflects the ongoing disposal of inventory without replenishment.
- Gross profit was a \$69,435 for the six months ended 30 September 2018 compared with a loss of \$29,753 for the previous year. Inventory realisations net of holding costs have been higher than estimated as at 31 March 2018.
- Administration and general expenses of \$304,625 for the six months ended 30 September 2018 (2017: \$80,424) include significant expenditure on legal and other advisory services related to the proposed acquisition of PaySauce Limited.
- Selling and distribution expenses of \$47,278 for the six months ended 30 September 2018 (2017: \$47,278) are primarily agency fees paid to Ecobulb Limited.
- Net finance costs are \$219,719 for the six months ended 30 September 2018 compared to \$237,934 for the prior period. The reduction is due to the conversion of interest bearing convertible notes to shares in May 2018.
- The Group received a further \$100,000 short term loan to cover costs associated with the acquisition transaction with PaySauce. This, along with cash generated from the sale of inventory and the realisation of receivables, has been used to cover ongoing costs.

Proposed Acquisition Transaction with PaySauce Limited

The Directors have executed a non-binding indicative terms sheet with PaySauce Limited, a provider of cloud-based software, for the acquisition of PaySauce through the issue of shares in Energy Mad Limited. The terms sheet is subject to due diligence being undertaken by both parties, the completion of legally binding transaction documents, approval by shareholders and regulatory approval.

The effect of the proposed transaction on current Energy Mad shareholders is that:

- a) They will retain their current shares, which based on estimated values, will represent approximately 3% of the issued capital post transaction;
- b) The assets of the Energy Mad Group will be transferred to a wholly owned subsidiary, with current shareholders receiving shares in this subsidiary pro rata for zero consideration, thereby retaining their existing interest in Energy Mad assets.
- c) On completion of collection of outstanding receivables and disposition of inventory, the subsidiary will be liquidated and the proceeds (less costs) will be distributed to shareholders and bondholders as applicable.

Due diligence has been completed, and the Directors expect to put the proposed transaction to shareholders before the end of the year.

Agreement with Ecobulb Limited

The Agreement with Ecobulb Limited for the proposed sale and purchase of assets of Energy Mad, announced last year, remains in place. The proposed settlement date has been extended to 31 December 2018 by agreement with Ecobulb Limited, to enable one shareholder meeting to consider this proposal and the PaySauce proposal in tandem.

Please refer to the accompanying Market Release and Condensed Interim Report for additional commentary and financial information.

For more information, contact:

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