

27 February 2020

ASX Appendix 4D

Half year financial report to 31 December 2019

1. Details of reporting period

Name of entity	EVZ Limited (ASX: EVZ)
ABN	87 010 550 357
Reporting period	31 December 2019
Previous corresponding reporting period	31 December 2018

2. Results for announcement to the market

Results Summary	FY2020 H1 \$	FY2019 H1 \$	Change \$	Change %
Revenue from ordinary activities	34,433,155	36,930,495	(2,497,340)	-7%
EBITDA	(1,642,108)	1,625,710	(3,267,819)	-201%
Profit before finance costs and income tax	(2,355,039)	1,302,585	(3,657,624)	-281%
Profit from ordinary activities before tax	(2,772,994)	1,070,230	(3,843,224)	-359%
Profit from ordinary activities after tax	(2,845,428)	840,759	(3,686,187)	-438%
Earnings per share (cents)	(2.96)	0.92		

3. Net tangible asset backing

	31-Dec-2019	31-Dec-2018
Net tangible asset backing. Cents per share	7.0	11.7

4. Details of entities over which control has been gained or lost during the period

N/A

5. Details of dividends

No dividend has been paid or recommended to be paid for the period.

6. Details of dividend reinvestment plans

N/A

7. Details of associate and joint venture entities

N/A

8. Foreign entities

N/A

9. Audit review and emphasis of matter

<p>The financial report has been independently reviewed by Grant Thornton, who have issued an unqualified opinion. The Independent Auditors Review Report contains an emphasis of matter related to the disclosures made in the financial report relating to going concern as detailed below:</p>

<p><i>“We draw attention to Note 1 of the financial report, which notes that the Group’s funding matures on 30 June 2020. The Group’s ability to continue as a going concern is dependent on their bank facilities being extended. These conditions, as set forth in note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. Our report has not been modified in relation to this matter.”</i></p>
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10. Attachment

EVZ Limited Half Year Report for the half-year ended 31 December 2019

11. Additional Information

<p>In addition to the attached condensed consolidated half year financial statements, further information including financial analysis of the results is provided in the half year FY2020 investor presentation also released to the market today.</p>
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By order of the Board
P A van der Wal
Company Secretary



EVZ Limited Half Year Report

For the half-year ended 31 December 2019

ACN 010 550 357

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Directors' report

Your Directors submit the financial report of EVZ Limited and its controlled entities (the consolidated entity) for the half-year ended 31 December 2019.

Directors

The names of Directors who held office during or since the end of the half-year are as follows:

- Graham Burns (Chairman)
- Robert Edgley
- Ian Luck

Review of operations

The operating loss before tax from continuing operations of the consolidated entity for the six months to 31 December 2019 was \$2,772,994 (31 December 2018 profit: \$1,070,230). The net loss after tax for the six months to 31 December 2019 was \$2,845,428 (31 December 2018 profit: \$840,759).

Changes in state of affairs

There were no significant changes in the state of affairs during the period.

Dividends

During the half-year to 31 December 2019 there were no dividends declared or paid.

Events subsequent to reporting date

There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the half-year, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

Auditor's independence declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 4 for the half-year ended 31 December 2019.

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



Director
Graham Burns

Dated this 26th day of February 2020

Auditor's independence declaration



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Auditor's Independence Declaration

To the Directors of EVZ Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of EVZ Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B L Taylor
Partner – Audit & Assurance

Melbourne, 26 February 2020

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Condensed consolidated statement of profit or loss

For the half-year ended 31 December 2019

Notes

Consolidated Entity
31 December 2019 31 December 2018
\$ \$

Continuing operations

Revenue	6	34,433,155	36,930,495
Cost of Sales		(31,312,378)	(30,456,738)
Gross Profit		3,120,777	6,473,757
Other Income		65,110	34,032
Administration and corporate costs		(5,540,926)	(5,205,204)
Results from operating activities		(2,355,039)	1,302,585
Net finance costs	2	(417,955)	(232,355)
Profit/(Loss) before income tax from continuing operations		(2,772,994)	1,070,230
Income tax (expense)/benefit		(72,434)	(229,471)
Profit/(Loss) for the period from continuing operations		(2,845,428)	840,759

Earnings per share

		Cents	Cents
Continuing operations:	4		
Basic earnings per share		(2.960)	0.921
Diluted earnings per share		(2.960)	0.906
Overall operations:	4		
Basic earnings per share		(2.960)	0.921
Diluted earnings per share		(2.960)	0.906

The accompanying notes form part of these condensed consolidated financial statements.

Condensed consolidated statement of comprehensive income

For the half-year ended 31 December 2019

	Consolidated Entity	
	31 December 2019	31 December 2018
	\$	\$
Profit/(Loss) for the period	(2,845,428)	840,759
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	32,770	26,628
Total comprehensive income/(loss) for the period attributable to owners of the company	(2,812,658)	867,387

The accompanying notes form part of these condensed consolidated financial statements.

Condensed consolidated statement of financial position

For the half-year ended 31 December 2019

	Notes	Consolidated Entity	
		31 December 2019 \$	30 June 2019 \$
Current assets			
Cash and cash equivalents		3,029,736	2,772,182
Trade and other receivables		12,691,968	16,540,057
Contract assets		1,993,266	3,156,104
Inventories		2,802,259	2,313,984
Other financial assets		211,091	189,612
Total current assets		20,728,320	24,971,939
Non-current assets			
Trade and other receivables		1,401,566	1,612,075
Plant and equipment		7,529,423	4,870,664
Deferred tax assets		2,544,804	2,604,954
Intangibles	5	12,072,010	12,072,010
Total non-current assets		23,547,803	21,159,703
Total assets		44,276,123	46,131,642
Current liabilities			
Trade and other payables		11,628,217	13,853,414
Contract liabilities		1,232,515	1,584,027
Tax liabilities		31,738	31,335
Short-term borrowings	3	4,985,083	3,372,272
Provisions		3,145,222	2,926,188
Total current liabilities		21,022,775	21,767,236
Non-current liabilities			
Long-term borrowings	3	1,976,377	284,397
Deferred tax liabilities		50,838	50,549
Provisions		50,857	41,526
Total non-current liabilities		2,078,072	376,472
Total liabilities		23,100,847	22,143,708
Net assets		21,175,276	23,987,934
Equity			
Issued capital		56,457,180	56,457,180
Reserves		309,941	277,171
Accumulated losses		(35,591,845)	(32,746,417)
Total equity		21,175,276	23,987,934

The accompanying notes form part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

For the half-year ended 31 December 2019	Issued Capital	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 30 June 2019	56,457,180	(32,746,417)	300,000	(22,829)	23,987,934
Adjustment on adoption of IFRS 16	-	-	-	-	-
Balance at 1 July 2019	56,457,180	(32,746,417)	300,000	(22,829)	23,987,934
Total comprehensive loss for period					
Profit/(loss) for period	-	(2,845,428)	-	-	(2,845,428)
Foreign currency translation reserve	-	-	-	32,770	32,770
Total comprehensive income for period	-	(2,845,428)	-	32,770	(2,812,658)
Transactions with owners, recorded directly in equity					
Shares issued	-	-	-	-	-
Dividends	-	-	-	-	-
Balance at 31 December 2019	56,457,180	(35,591,845)	300,000	9,941	21,175,276

For the half-year ended 31 December 2018	Issued Capital	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 30 June 2018	52,972,129	(34,262,454)	300,000	(58,476)	18,951,199
Adjustment on adoption of IFRS 9	-	(108,938)	-	-	(108,938)
Balance at 1 July 2018	52,972,129	(34,371,392)	300,000	(58,476)	18,842,261
Total comprehensive loss for period					
Profit/(loss) for period	-	840,759	-	-	840,759
Foreign currency translation reserve	-	-	-	26,628	26,628
Total comprehensive income for period	-	840,759	-	26,628	867,387
Transactions with owners, recorded directly in equity					
Shares issued	3,681,061	-	-	-	3,681,061
Shares Issue Costs	(196,010)	-	-	-	(196,010)
Balance at 31 December 2018	56,457,180	(33,530,633)	300,000	(31,848)	23,194,699

The accompanying notes form part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

For the half-year ended 31 December 2019

	Consolidated Entity	
	31 December 2019	31 December 2018
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	42,772,380	42,169,063
Payments to suppliers and employees (inclusive of GST)	(42,018,382)	(38,275,726)
Interest received	449	3,641
Finance costs	(418,404)	(235,996)
Income tax	(11,591)	(8,443)
Net cash provided by operating activities	324,452	3,652,539
Cash flows from investing activities		
Proceeds from sale of plant and equipment	-	4,060
Purchase of plant and equipment	(674,304)	(658,769)
Net cash (used in) investing activities	(674,304)	(654,709)
Cash flows from financing activities		
Proceeds from equity raising	-	3,511,477
Share issue costs	-	(196,010)
Proceeds from loans	1,006,927	-
Repayment of loans	-	(3,148,951)
Payments for lease financing	(399,521)	(34,709)
Net cash provided by / (used in) financing activities	607,406	131,807
Net increase in cash held	257,554	3,129,637
Cash at beginning of the period	2,772,182	1,706,883
Cash at end of the period	3,029,736	4,836,520

The accompanying notes form part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

1. Basis of preparation of half-year financial report

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS34 "Interim Financial Reporting". The half-year report does not include full disclosures of the type normally included in an annual financial report.

Accordingly, it is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by EVZ Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

(a) New standards adopted as at 1 July 2019

The Consolidated Entity has adopted the new accounting pronouncements which have become effective this year, and are as follows:

IFRS 16 'Leases'

IFRS 16 'Leases' replaces IAS 17 'Leases' along with three Interpretations (IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC 15 'Operating Leases-Incentives' and SIC 27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'). The new Standard has been applied using the modified retrospective approach. Prior periods have not been restated.

For contracts in place at the date of initial application, the Consolidated Entity has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

The Consolidated Entity has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 January 2019. At this date, The Consolidated Entity has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Consolidated Entity has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Consolidated Entity has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under IAS 17 immediately before the date of initial application.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 6.95%.

The Consolidated Entity has benefited from the use of hindsight for determining lease term when considering options to extend and terminate leases.

The following is a reconciliation of total operating lease commitments at 30 June 2019 to the lease liabilities recognised at 1 July 2019:

Total operating lease commitments disclosed at 30 June 2019	2,599,193
Recognition exemptions:	
▪ Leases of low value assets	(2,667)
▪ Leases with remaining lease term of less than 12 months	(738,368)
Variable lease payments not recognised	-
Other minor adjustments relating to commitment disclosures	-
Total Recognition exemptions:	(741,035)
Operating lease liabilities before discounting	1,858,158
Discounted using incremental borrowing rate	(540,935)
Operating lease liabilities	1,317,223
Reasonably certain extension options	1,023,494
Finance lease obligations	356,669
Total lease liabilities recognised under IFRS 16 at 1 July 2019	2,697,386

The lease asset recognised equals the lease liability at 1 July 2019.

(b) Other pronouncements

Other accounting pronouncements which have become effective from 1 January 2019 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

(c) Significant accounting policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Consolidated Entity's most recent annual financial statements for the year ended 30 June 2019, except for the effects of applying IFRS 16.

Leases

As described in Note 1(a), the Consolidated Entity has applied IFRS 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under IAS 17 and IFRIC 4.

i. Leases accounting policy applicable from 1 July 2019

The Consolidated Entity as a lessee:

For any new contracts entered into on or after 1 July 2019, The Consolidated Entity considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition The Consolidated Entity assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Consolidated Entity.
- The Consolidated Entity has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Consolidated Entity has the right to direct the use of the identified asset throughout the period of use.
- The Consolidated Entity assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee:

At lease commencement date, The Consolidated Entity recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by The Consolidated Entity, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Consolidated Entity depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Consolidated Entity also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, The Consolidated Entity measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or The Consolidated Entity's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Consolidated Entity has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment (except those meeting the definition of investment property) and lease liabilities have been included in trade and other payables.

ii. Leases accounting policy applicable before 1 July 2019

The Consolidated Entity as a lessee:

Finance leases:

Management applies judgment in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased asset. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether The Consolidated Entity obtains ownership of the asset at the end of the lease term. For leases of land and buildings, the minimum lease payments are first allocated to each component based on the relative fair values of the respective lease interests. Each component is then evaluated separately for possible treatment as a finance lease, taking into consideration the fact that land normally has an indefinite economic life.

See the accounting policy note in the year-end financial statements for the depreciation methods and useful lives for assets held under finance leases. The interest element of lease payments is charged to profit or loss, as finance costs over the period of the lease.

Operating leases:

All other leases are treated as operating leases. Where the Consolidated Entity is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(d) Going Concern

The financial report for the half year ended 31 December 2019 has been prepared on a going concern basis, which assumes continuity of normal business activities and realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group's ability to continue as a going concern is dependent on:

- The Commonwealth Bank continuing to support the Group, including the granting of any waiver relating to covenants. Historically the Commonwealth Bank has granted such waivers and the Directors expectation is that the CBA will continue to grant such waivers through to maturity of the facility;
- An extension of the current or similar banking facility with either CBA or other financier when the current facility expires on 30 June 2020; and

Should either of these matters not occur, the Group may not be able to realise its assets and settle its liabilities in the ordinary course of business.

The Directors have concluded that the circumstances noted above represent a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern. Nevertheless, after making enquiries and considering uncertainties described above the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

For these reasons the Directors continue to adopt the going concern basis in preparing the financial report of EVZ and its controlled entities at 31 December 2019.

(e) Key Estimates

Construction contracts and work-in-progress

Construction profits and losses are recognised on the stage-of-completion basis and measured by comparing construction contract costs incurred to date against expected final costs and recoveries of the construction contract.

Expected final costs are estimated following an assessment of each contract and a determination of expected costs still to be incurred.

During the current period, the Directors have assessed the recoveries expected in respect to a major project based upon the expected final costs of delivering this project which has had an adverse impact on the results for the half year.

The Group believes that the expected final costs in its various construction contracts are appropriate at 31 December 2019.

(f) Basis of preparation

This financial report has been prepared on an accruals basis and is based on historical costs. Other than as noted above in relation to the adoption of IFRS 16 Leases, the accounting policies applied in this financial report are consistent with those applied in the 30 June 2019 Annual Report.

All amounts are presented in Australian dollars, unless otherwise noted.

Notes to the condensed consolidated financial statements (continued)

2. Profit and loss

For the half-year ended 31 December 2019

	Consolidated Entity	
	31 December 2019	31 December 2018
	\$	\$
Net finance costs:		
Finance costs	(418,404)	(235,996)
Interest income	449	3,641
Net finance costs from continuing operations	(417,955)	(232,355)

3. Borrowings

For the half-year ended 31 December 2019

	Consolidated Entity	
	31 December 2019	30 June 2019
	\$	\$
Current liabilities		
<i>Short term borrowings:</i>		
Bank loans-secured	3,300,000	3,300,000
Loans from Related Corporation-unsecured	1,006,927	-
Leases	678,156	72,272
	4,985,083	3,372,272
Non-current liabilities		
<i>Long term borrowings:</i>		
Leases	1,976,377	284,397
	1,976,377	284,397

Notes to the condensed consolidated financial statements (continued)

4. Earnings per share

For the half-year ended 31 December 2019

	Consolidated Entity	
	31 December 2019	31 December 2018
	Number of Shares	Number of Shares
Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share	96,116,734	91,292,331
Weighted average number of ordinary shares outstanding during the period used in calculation of diluted earnings per share	96,116,734	92,792,331

Due to net loss for the 31 December 2019 period, dilutive earnings per share is the same as basic earnings per share.

5. Intangible assets

For the half-year ended 31 December 2019

	Consolidated Entity	
	31 December 2019	30 June 2019
	\$	\$
Goodwill at cost	3,282,532	3,282,532
Net carrying value	3,282,532	3,282,532
Goodwill on acquisition at cost	8,789,478	24,606,758
Impairment – Energy CGU	-	(15,817,280)
	8,789,478	8,789,478
Net carrying value	12,072,010	12,072,010

Notes to the condensed consolidated financial statements (continued)

6. Segment information

Identification of reportable segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision-makers) in assessing performance and determining the allocation of resources. Operating segments are managed primarily based on product category and service offerings. Executive management monitors segment performance based on EBIT.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted:

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision-makers with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the consolidated entity.

Inter-segment transactions:

All such transactions are eliminated on consolidation for the consolidated entity's financial statements.

Segment Information continues the next page.

Notes to the condensed consolidated financial statements (continued)

Segment information (continued)

6a	Segment information	Engineering	Energy	Water	Corporate	Total
	Six months ended 31 December 2019:	\$	\$	\$	\$	\$
	Revenue					
	External sales	19,517,604	3,349,028	11,566,523	-	34,433,155
	Inter-segment sales	-	-	-	-	-
	Total segment revenue	19,517,604	3,349,028	11,566,523	-	34,433,155
	<i>Reconciliation of segment revenue to group revenue:</i>					
	Inter-segment elimination	-	-	-	-	-
	Total group revenue	19,517,604	3,349,028	11,566,523	-	34,433,155
	Segment net profit /(loss) before interest and tax	(2,181,635)	47,377	516,934	(737,715)	(2,355,039)
	<i>Reconciliation of net profit before interest and tax to group net profit/(loss) before tax</i>					
	Unallocated items					
	Other non-operating					-
	Net finance costs from continuing operations					(417,955)
	Net profit/(loss) before tax from continuing operations					(2,772,994)
	<i>Included in segment net profit before interest and tax</i>					
	Depreciation	400,216	39,827	252,048	20,840	712,931
	Impairment of Receivables	-	-	-	-	-
	Segment assets					
	Segment Assets	21,175,683	3,057,179	23,920,052	8,541,513	56,694,427
	Inter-segment elimination					(12,418,304)
	Total group assets					44,276,123
	<i>Segment asset increases for the period:</i>					
	Capital Expenditure	316,862	30,337	390,597	(63,492)	674,304
		316,862	30,337	390,597	-	674,304
	Segment liabilities					
	Segment liabilities	15,327,964	5,387,444	6,221,378	4,787,062	31,723,848
	Inter-segment elimination					(8,623,001)
	Total group liabilities					23,100,847

Segment Information continues the next page.

Notes to the condensed consolidated financial statements (continued)

Segment information (continued)

6a	Segment information	Engineering	Energy	Water	Corporate	Total
	Six months ended 31 December 2018:	\$	\$	\$	\$	\$
	Revenue					
	External sales	24,482,492	2,643,805	9,804,198	-	36,930,495
	Inter-segment sales	-	-	-	-	-
	Total segment revenue	24,482,492	2,643,805	9,804,198	-	36,930,495
	<i>Reconciliation of segment revenue to group revenue:</i>					
	Inter-segment elimination	-	-	-	-	-
	Total group revenue	24,482,492	2,643,805	9,804,198	-	36,930,495
	Segment net profit /(loss) before interest and tax	1,512,899	(123,864)	627,964	(714,414)	1,302,585
	<i>Reconciliation of net profit before interest and tax to group net profit/(loss) before tax</i>					
	Unallocated items					
	Other non-operating					-
	Net finance costs from continuing operations					(232,355)
	Net profit/(loss) before tax from continuing operations					1,070,230
	<i>Included in segment net profit before interest and tax:</i>					
	Depreciation	186,776	34,275	102,941	2,056	326,048
	Impairment of Receivables	-	-	-	-	-
	Segment assets					
	Segment Assets	22,461,821	1,646,012	19,961,717	30,724,335	74,793,885
	Inter-segment elimination					(32,308,754)
	Total group assets					42,485,131
	<i>Segment asset increases for the period:</i>					
	Capital Expenditure	563,475	40,272	55,022	-	658,769
		563,475	40,272	55,022	-	658,769
	Segment liabilities					
	Segment liabilities	22,959,936	24,082,563	4,157,437	(4,008,978)	47,190,958
	Inter-segment elimination					(28,009,464)
	Total group liabilities					19,181,494

Segment Information continues the next page.

Notes to the condensed consolidated financial statements (continued)

Segment information (continued)

6b	Revenue by category:	Engineering \$	Energy \$	Water \$	Corporate \$	Total \$
Six months ended 31 December 2019:						
	Revenue					
	Construction contracts	19,517,604	-	11,566,523	-	31,084,127
	Service revenue	-	3,349,028	-	-	3,349,028
	Total revenue from contracts	19,517,604	3,349,028	11,566,523	-	34,433,155

Six months ended 31 December 2018:

	Revenue					
	Construction contracts	24,482,492	-	9,804,198	-	34,286,690
	Service revenue	-	2,643,805	-	-	2,643,805
	Total group revenue	24,482,492	2,643,805	9,804,198	-	36,930,495

All revenue is recognised over time

6c	Revenue by geographical locations:	Engineering \$	Energy \$	Water \$	Corporate \$	Total \$
Six months ended 31 December 2019:						
	Revenue					
	Australia	19,517,604	3,349,028	9,053,298	-	31,919,930
	Asia	-	-	2,513,225	-	2,513,225
	Total revenue from contracts	19,517,604	3,349,028	11,566,523	-	34,433,155
Six months ended 31 December 2018:						
	Revenue					
	Australia	24,482,492	2,643,805	6,581,024	-	33,707,321
	Asia	-	-	3,223,174	-	3,223,174
	Total group revenue	24,482,492	2,643,805	9,804,198	-	36,930,495

Notes to the condensed consolidated financial statements (continued)

7. Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

8. Events subsequent to reporting date

There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the half-year, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 21:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

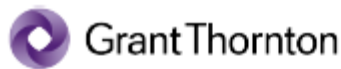
This declaration is made in accordance with a resolution of the Board of Directors.



Director
Graham Burns

Dated this 26th day of February 2020

Independent auditor's report



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Independent Auditor's Review Report

To the Members of EVZ Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of EVZ Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of EVZ Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial report, which notes that the Group's bank funding matures on 30 June 2020. The Group's ability to continue as a going concern is dependent on their bank facilities being extended. These conditions, as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our report has not been modified in relation to this matter.

Directors' responsibility for the half year 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.

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Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of EVZ Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd
Chartered Accountants



B L Taylor
Partner – Audit & Assurance

Melbourne, 26 February 2020

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