



Interim Financial Report and Appendix 4D

Empired Limited and its Controlled Entities
ABN 81 090 503 843

Reporting Period: Half year ended 31 December 2020
Previous Corresponding Period: Half year ended 31 December 2019

Results for announcement to the market:

				31 December 2020	31 December 2019
				\$	\$
Revenue from ordinary activities	Up	7%	to	90,275,644	84,401,213
Net profit for the period attributable to members	Up	284%	to	7,718,367	2,009,678
Basic earnings per share (cents per share)	Up	282%	to	4.82 c	1.26 c

Net tangible assets per security:

	31 December 2020	31 December 2019
	\$	\$
Net tangible asset backing per security	0.02	(0.04)

Dividends:

Interim dividend of 1.5 cents per share (unfranked) with a Record Date of 5 March 2021 with a payment date of 15 March 2021.

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

Not applicable.

Details of dividend reinvestment plan:

Not applicable.

Details of associates and joint venture entities:

Not applicable.

For foreign entities, accounting standards used in compiling the report:

Not applicable.

Audit:

The independent auditor's review report is attached to the Interim Financial Report. The independent auditor's review report does not contain any modified opinion, emphasis of matter or other matter paragraph.

Empired Limited
And Its Controlled Entities

Interim Financial Report
For the half-year ended 31 December 2020

ABN 81 090 503 843

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Corporate Directory

Directors

Thomas Stianos (Non-Executive Chairman)
John Bardwell (Non-Executive Director)
Richard Bevan (Non-Executive Director)
Cristiano Nicolli (Non-Executive Director)
Russell Baskerville (Managing Director & CEO)

Registered Office

Level 7
The Quadrant
1 William Street
Perth WA 6000
Telephone No: +618 6333 2200
Fax No: +618 6333 2323

Company Number

A.C.N: 090 503 843

Country of Incorporation

Australia

Company Domicile and Legal Form

Empired Limited is the parent entity
and an Australian Company limited by shares

Principal Places of Business

Perth

Level 7
The Quadrant
1 William Street
Perth WA 6000

Melbourne

Level 14, 360 Elizabeth Street
Melbourne VIC 3000

Auckland

Level 1, 152 Fanshawe St
Auckland 1010

Wellington

Level 4, 80 Willis Street
Wellington 6011

Dunedin

64 Willowbank
Dunedin 9016

Website

www.empired.com

Company Secretary

David Hinton

Auditors

Grant Thornton Audit Pty Ltd
Level 43, 152 -158 St Georges Terrace
Perth WA 6000

Share Register

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

ASX Code

EPD

Adelaide

Level 2, 8 Leigh Street
Adelaide SA 5000

Brisbane

Level 11, 79 Adelaide Street
Brisbane QLD 4000

Sydney

Level 12, 9 Hunter Street
Sydney NSW 2000

Christchurch

Level 2, 165 Gloucester Street
Christchurch 8011

Seattle

2018 156th Ave NE
Suite 108
Bellevue, WA, 98007
USA

Directors' Report

The Directors present their interim report on the consolidated entity comprising Empired Limited ("the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2020.

Directors

The names of the Company's directors in office during the year and until the date of this report are detailed below. Directors were in office for this entire period unless stated otherwise.

Thomas Stianos (Non-Executive Chairman)
John Bardwell (Non-Executive Director)
Richard Bevan (Non-Executive Director)
Cristiano Nicolli (Non-Executive Director)
Russell Baskerville (Managing Director & CEO)

Operating and Financial Review

Review of operations

Revenue for the half-year was \$90,275,644 (HY2019: \$84,401,213), representing an increase of 7% on the prior corresponding period.

Consolidated net profit after tax for the half-year was \$7,718,367 (HY2019: \$2,009,678), representing an increase of 284% on the prior corresponding period.

The profit result for the period to 31 December 2020 includes \$4,864,500 before tax (\$3,405,150 after tax) of JobKeeper Payments which is included as Other Income.

Operating cash flow for the period to 31 December 2020 includes \$6,217,500 of JobKeeper Payments received.

Dividends

The Directors have declared a dividend for the half-year ended 31 December 2020 of 1.5 cents per share with a Record Date of 5 March 2021 and Payment Date of 15 March 2021 (31 December 2019: nil).

Auditor

The lead auditor's Independence Declaration as required under s307c of the Corporations Act 2001 for the half-year ended 31 December 2020 has been received and can be found on page 16 of the financial report.

Signed in accordance with a resolution of directors.



Russell Baskerville
Managing Director
22 February 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	<i>Notes</i>	6 months to 31 December 2020	6 months to 31 December 2019
		\$	\$
Revenue from contracts with customers	5	90,275,644	84,401,213
Other income	6	4,864,500	-
Cost of licenses		(6,743,951)	(7,017,098)
Employee benefits		(65,366,869)	(63,282,103)
Depreciation and amortisation expense	7	(4,503,745)	(3,954,629)
Occupancy expenses		(284,677)	(475,723)
Other expenses		(6,575,679)	(5,808,494)
Operating profit		11,665,223	3,863,166
Finance costs	8	(641,807)	(924,455)
Finance income		2,819	16,501
Profit before income tax		11,026,235	2,955,212
Income tax expense		(3,307,868)	(945,534)
Profit for the period		7,718,367	2,009,678
Other comprehensive income, net of income tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		(90)	76,461
Total comprehensive income for the period		7,718,277	2,086,139
Earnings per share (cents per share):			
Basic earnings per share	9	4.82	1.26
Diluted earnings per share	9	4.58	1.21

This Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2020

	Notes	31 December 2020 \$	30 June 2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	12,492,727	6,316,968
Trade and other receivables		14,980,478	21,599,744
Contract assets		12,345,053	8,525,275
Other current assets		2,650,428	2,496,622
Total current assets		42,468,686	38,938,609
Non-current Assets			
Plant and equipment		5,552,162	5,177,190
Intangible assets	11	57,305,914	56,100,583
Deferred tax asset		3,648,004	5,651,301
Right of use assets	12	16,565,140	17,871,839
Total non-current assets		83,071,220	84,800,913
TOTAL ASSETS		125,539,906	123,739,522
LIABILITIES			
Current liabilities			
Trade and other payables		14,654,909	14,883,604
Income tax payable		1,240,342	309,555
Borrowings	13	1,856,506	1,854,671
Lease liabilities	14	5,407,439	5,371,495
Provisions		7,386,355	7,055,073
Contract liabilities		452,726	1,689,674
Total current liabilities		30,998,277	31,164,072
Non-current Liabilities			
Borrowings	13	3,713,012	8,636,677
Lease liabilities	14	13,612,234	14,568,739
Provisions		936,337	1,089,947
Total non-current liabilities		18,261,583	24,295,363
TOTAL LIABILITIES		49,259,860	55,459,435
NET ASSETS		76,280,046	68,280,087
EQUITY			
Issued capital	15	54,146,878	54,146,878
Reserves		3,977,727	3,696,135
Retained profits		18,155,441	10,437,074
TOTAL EQUITY		76,280,046	68,280,087

This Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

		6 months to 31 December 2020	6 months to 31 December 2019
	Notes	\$	\$
Cash flows from operating activities			
Receipts from customers		98,921,881	100,308,632
Payments to suppliers and employees		(87,354,501)	(89,533,177)
Government subsidy received		6,217,500	-
Income tax (paid)/received		(333,899)	176,813
Net cash flows from operating activities	10	<u>17,450,981</u>	<u>10,952,268</u>
Cash flows from investing activities			
Purchase of intangibles		(2,439,912)	(2,583,752)
Purchase of plant and equipment		(1,037,292)	(165,819)
Lease incentive received for fit-out		565,188	-
Net cash flows used in investing activities		<u>(2,912,016)</u>	<u>(2,749,571)</u>
Cash flows from financing activities			
Buyback of shares		-	(57,868)
Interest on bank borrowings		(265,554)	(527,938)
Interest on leases		(373,432)	(380,015)
Repayment of bank borrowings		(6,659,389)	(13,159,664)
Repayment of lease liabilities		(2,644,874)	(3,110,043)
Proceeds from bank borrowings		1,733,498	6,223,564
Net cash flows used in financing activities		<u>(8,209,751)</u>	<u>(11,011,964)</u>
Net increase/(decrease) in cash and cash equivalents		6,329,214	(2,809,267)
Effect of exchange rate fluctuations on cash held		(153,455)	3,606
Cash and cash equivalents at beginning of period		6,316,968	5,551,971
Cash and cash equivalents at end of period		<u>12,492,727</u>	<u>2,746,310</u>

This Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Issued Capital	Retained Profits	Foreign Currency Translation Reserve	Share Based Payment Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2019	54,204,746	4,291,088	389,481	3,036,176	61,921,491
Profit for the period	-	2,009,678	-	-	2,009,678
Other comprehensive gain	-	-	76,461	-	76,461
Share buy back	(57,868)	-	-	-	(57,868)
Share-based payments	-	-	-	133,986	133,986
Balance at 31 December 2019	54,146,878	6,300,767	465,942	3,170,162	64,083,749
Balance at 1 July 2020	54,146,878	10,437,074	253,482	3,442,653	68,280,087
Profit for the period	-	7,718,367	-	-	7,718,367
Other comprehensive loss	-	-	(90)	-	(90)
Share-based payments	-	-	-	281,682	281,682
Balance at 31 December 2020	54,146,878	18,155,441	253,392	3,724,335	76,280,046

This Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

1 CORPORATE INFORMATION

The consolidated interim financial report of Empired Limited and its subsidiaries (collectively, the Group) for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 22 February 2021.

Empired Limited, is a for profit entity, whose shares are publicly traded on the Australian Securities Exchange, is a company incorporated in Australia.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of operations

The principal activities of the Group include the provision of IT solutions and product and licensing. Operations are in Australia, New Zealand and USA.

(b) General information and statement of compliance

The condensed interim consolidated financial statements of the Group are for the six months ended 31 December 2020 and are presented in Australian Dollars, which is the functional currency of the Parent Company. These accounts have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2020 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 30 June 2020.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policies.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2020.

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

4 SEGMENT REPORTING

Management identifies its operating segments based on the Group's geographical presence, which represent the main products and services provided by the Group. The Group's two operating segments are:

- Australia
- New Zealand

No operating segments have been aggregated to form the above reportable operating segments.

The revenues and profit generated by each of the Group's operating segments and segment assets are summarised as follows:

	Australia \$	New Zealand \$	Total \$
Six months to 31 December 2020			
Revenue			
From external customers	55,722,519	34,553,125	90,275,644
Total	55,722,519	34,553,125	90,275,644
Segment profit (EBITDA)	9,265,367	6,903,601	16,168,968
Segment assets	71,550,628	53,989,278	125,539,906
Segment non-current assets	43,351,107	39,720,113	83,071,220
Six months to 31 December 2019			
Revenue			
From external customers	50,176,427	34,224,786	84,401,213
Total	50,176,427	34,224,786	84,401,213
Segment profit (EBITDA)	3,910,523	3,907,272	7,817,795
Segment assets	64,721,674	51,658,292	116,379,966
Segment non-current assets	44,042,769	39,854,843	83,897,612

Finance costs and finance income are not allocated to individual segments as the underlying instruments are managed on a group basis.

The Group's segment operating EBITDA reconciles to the Group's profit before tax as presented in the financial statements as follows:

	6 months to 31 December 2020 \$	6 months to 31 December 2019 \$
Total reporting segment operating EBITDA	16,168,968	7,817,795
Less:		
Finance costs (net)	(638,988)	(907,954)
Depreciation and amortisation expenses	(4,503,745)	(3,954,629)
Profit before tax	11,026,235	2,955,212

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	6 months to 31 December 2020 \$	6 months to 31 December 2019 \$
Revenue		
Services	56,358,937	53,552,154
Operations	33,916,707	30,849,059
Total revenue from contracts with customers	90,275,644	84,401,213
Australia		
Services	35,607,852	33,259,581
Operations	20,114,667	16,916,845
New Zealand		
Services	20,751,085	20,292,573
Operations	13,802,040	13,932,214
Total revenue from contracts with customers	90,275,644	84,401,213

Services revenue comprise professional project services fees for customers contracted on a fixed price or time and materials basis.

Operations revenue comprise professional fees from customers for managing of IT systems, applications or infrastructure plus the sale of products and licenses.

Revenue		
Transferred at a point in time	54,492,013	56,157,000
Transferred over time	35,783,631	28,244,213
Total revenue from contracts with customers	90,275,644	84,401,213

Notes to the Financial Statements (continued)
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

6 OTHER INCOME

	6 months to 31 December 2020	6 months to 31 December 2019
	\$	\$
Government subsidy - JobKeeper	4,864,500	-

7 EXPENSES

	6 months to 31 December 2020	6 months to 31 December 2019
Depreciation and amortisation		
Depreciation of plant and equipment	661,055	773,325
Amortisation of intangible assets	1,257,073	428,344
Amortisation of right of use assets	2,585,617	2,752,960
	<u>4,503,745</u>	<u>3,954,629</u>

8 FINANCE EXPENSES

	6 months to 31 December 2020	6 months to 31 December 2019
	\$	\$
Interest expenses - bank borrowings	261,705	520,115
Interest expenses - leases	380,102	404,340
	<u>641,807</u>	<u>924,455</u>

9 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares on issue during the period.

The following represents the income and share data used in the basic and diluted earnings per share computations:

	6 months to 31 December 2020	6 months to 31 December 2019
	\$	\$
Net profit attributable to ordinary equity holders of the parent	7,718,367	2,009,678
	31 December 2020	31 December 2019
	'000s	'000s
Weighted average number of ordinary shares for basic earnings per share	160,223	160,074
<i>Effect of Dilution:</i>		
Performance rights	8,384	6,503
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>168,607</u>	<u>166,577</u>

10 CASH AND CASH EQUIVALENTS

Reconciliation of net cash flows from operating activities to profit after income tax

	6 months to 31 December 2020	6 months to 31 December 2019
	\$	\$
Profit after income tax	7,718,367	2,009,678
Finance expenses (net)	638,988	907,954
Depreciation and amortisation	4,503,745	3,954,629
Share payment expense	281,682	133,986
<i>Changes in assets and liabilities net of effects of purchases and disposals of</i>		
Decrease in receivables	6,619,266	4,347,306
(Increase)/Decrease in contract assets	(3,819,778)	3,060,654
(Increase)/Decrease in prepayments and other receivables	(137,402)	252,438
(Decrease) in contract liabilities	(1,236,948)	(1,384,403)
(Decrease) in trade creditors and other payables	(228,695)	(3,526,345)
Decrease in deferred tax assets	2,003,297	402,243
Increase in income tax payable	930,787	526,698
Increase in provisions	177,672	267,430
Net cash from operating activities	<u>17,450,981</u>	<u>10,952,268</u>

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

11 INTANGIBLE ASSETS

	<i>Goodwill</i>	<i>Software</i>	<i>Other</i>	<i>Total</i>
	\$	\$	\$	\$
Gross carrying amount				
Balance 1 July 2020	46,446,049	32,695,416	162,550	79,304,015
Additions	-	2,439,912	-	2,439,912
Exchange differences	-	22,492	-	22,492
Balance 31 December 2020	46,446,049	35,157,820	162,550	81,766,419
Depreciation				
Balance 1 July 2020	-	(23,040,882)	(162,550)	(23,203,432)
Amortisation	-	(1,257,073)	-	(1,257,073)
Balance 31 December 2020	-	(24,297,955)	(162,550)	(24,460,505)
Carrying amount 31 December 2020	46,446,049	10,859,865	-	57,305,914

Intangible assets, other than goodwill, have finite lives and are required to be amortised over their expected lives. Goodwill has an infinite life. No impairment was recorded.

	<i>Goodwill</i>	<i>Software</i>	<i>Other</i>	<i>Total</i>
	\$	\$	\$	\$
Gross carrying amount				
Balance 1 July 2019	46,446,049	26,883,054	162,550	73,491,653
Additions	-	2,583,752	-	2,583,752
Exchange differences	-	64,711	-	64,711
Balance 31 December 2019	46,446,049	29,531,517	162,550	76,140,116
Depreciation				
Balance 1 July 2019	-	(21,792,633)	(159,459)	(21,952,092)
Amortisation	-	(425,253)	(3,091)	(428,344)
Balance 31 December 2019	-	(22,217,886)	(162,550)	(22,380,436)
Carrying amount 31 December 2019	46,446,049	7,313,631	-	53,759,680

12 RIGHT OF USE ASSETS

	31 December 2020	31 December 2019
	\$	\$
Gross carrying amount		
Balance 1 July	23,535,141	17,113,088
Additions	1,278,918	2,382,240
Balance	24,814,059	19,495,328
Depreciation		
Balance 1 July	(5,663,302)	-
Amortisation	(2,585,617)	(2,752,960)
Balance	(8,248,919)	(2,752,960)
Carrying amount	16,565,140	16,742,368

The following describes the nature of the Group's leasing activities by type of right of use asset recognised on the balance sheet:

Right of use asset	Office building
Number of right of use assets leased	9
Range of remaining term	0.8 - 7.1 years
Average remaining lease term	3.1 years
Number of leases with extension options	8
Number of leases with options to purchase	-
Number of leases with variable payments linked to an index	2
Number of leases with termination options	-

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

13 BORROWINGS

	31 December 2020	30 June 2020
	\$	\$
Current		
Obligations under bank loan	1,200,000	1,200,000
Obligations under NZ-Dollar bank loan	656,506	654,671
	<u>1,856,506</u>	<u>1,854,671</u>
Non-current		
Obligations under bank loan	2,400,000	7,000,000
Obligations under NZ-Dollar bank loan	1,313,012	1,636,677
	<u>3,713,012</u>	<u>8,636,677</u>

14 LEASE LIABILITIES

	31 December 2020	30 June 2020
	\$	\$
Current		
Lease liabilities	5,380,753	5,136,514
Hire purchase leases	26,686	234,981
	<u>5,407,439</u>	<u>5,371,495</u>
Non-current		
Lease liabilities	13,612,234	14,568,739

15 ISSUED CAPITAL

	31 December 2020	30 June 2020
	\$	\$
Ordinary shares fully paid	<u>54,146,878</u>	<u>54,146,878</u>
Movement in ordinary shares on issue	No.	Value (\$)
At 1 July 2019	160,127,197	54,204,746
Issue of ordinary shares (net of issue costs)	(203,119)	(57,868)
At 30 June 2020	<u>159,924,078</u>	<u>54,146,878</u>
Issue of ordinary shares (net of issue costs)	377,517	-
At 31 December 2020	<u>160,301,595</u>	<u>54,146,878</u>

Ordinary shares entitle the holder to participate in dividends, and carry one vote per share. These shares have no par value.

	31 December 2020
	No.
Movement in Performance Rights for the reporting period	
At 30 June 2020	6,426,901
Granted during the period	3,475,000
Forfeited during the period	(1,140,550)
Vested during the period	(377,517)
At 31 December 2020	<u>8,383,834</u>

Grant date	27 July 2020	22 December 2020
Vesting period ends	30 September 2023	30 September 2023
Share price at date of grant	\$0.41	\$0.68
Term	3 yrs	3 yrs
Fair value at grant date	\$375,497	\$489,251
Performance rights granted	2,190,000	1,285,000

Notes to the Financial Statements (continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

16 FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities is considered to approximate their carrying values.

Interest rate risk

Exposure to interest rate risks on financial assets and liabilities are summarised as follows:

	Floating interest rate	Fixed interest rate	Non-interest bearing	Carrying amount as per balance sheet	Weighted average effective interest rate
31 December 2020	\$	\$	\$	\$	
Financial assets					
Cash and cash equivalents	12,492,727	-	-	12,492,727	0.02%
Trade and other receivables	-	-	14,980,478	14,980,478	
Total financial assets	12,492,727	-	14,980,478	27,473,205	
Financial liabilities					
Trade and other payables	-	-	14,654,909	14,654,909	
Leases and hire purchase obligations	-	19,019,673	-	19,019,673	4.14%
Bank loans	5,569,518	-	-	5,569,518	3.37%
Income tax payable	-	-	1,240,342	1,240,342	
Total financial liabilities	5,569,518	19,019,673	15,895,251	40,484,442	
30 June 2020	\$	\$	\$	\$	
Financial assets					
Cash and cash equivalents	6,316,968	-	-	6,316,968	1.25%
Trade and other receivables	-	-	21,599,744	21,599,744	
Total financial assets	6,316,968	-	21,599,744	27,916,712	
Financial liabilities					
Trade and other payables	-	-	14,883,604	14,883,604	
Leases and hire purchase obligations	-	19,940,234	-	19,940,234	4.10%
Bank loans	10,491,348	-	-	10,491,348	3.48%
Income tax payable	-	-	309,555	309,555	
Total financial liabilities	10,491,348	19,940,234	15,193,159	45,624,741	

No significant non-adjusting events have occurred between the reporting date and the date of authorisation.

17 SUBSEQUENT EVENTS

The Directors have declared a dividend for the half-year ended 31 December 2020 of 1.5 cents per share with a Record Date of 5 March 2021 and Payment Date of 15 March 2021 (31 December 2019: nil).

Directors' Declaration

In the opinion of the Directors of Empired Limited:

- (a) The interim financial statements and notes of the Company and its subsidiaries (the Group) Empired Limited are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporate Regulations 2001*; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become payable.

Signed in accordance with a resolution of the Directors.



Russell Baskerville
Managing Director

22 February 2021

Auditor's Independence Declaration

To the Directors of Empired Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Empired Limited for the half-year ended 31 December 2020, 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



L A Stella
Partner – Audit & Assurance

Perth, 22 February 2021

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Independent Auditor's Report

To the Members of Empired Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Empired Limited and its subsidiaries (the Group), which comprises the consolidated condensed statement of financial position as at 31 December 2020, and the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed 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 Empired Limited does not give a true and fair view of the financial position of the Empired Limited as at 31 December 2020, 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

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.

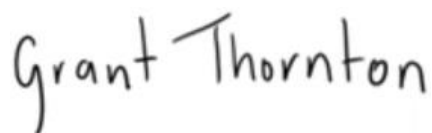
Auditor's responsibility

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 Empired Limited's financial position as at 31 December 2020 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 Empired 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



L A Stella
Partner – Audit & Assurance

Perth, 22 February 2021