

APPENDIX 4E

Preliminary Final Report

Results for Announcement to the Market

30 August 2017, Melbourne: EVZ Limited (ASX: EVZ) has delivered its Preliminary Final Results for the year ending 30 June 2017. The Directors are pleased to confirm Revenue and EBITDA results in line with guidance provided to the market in May 2017.

RESULTS SUMMARY	FY2017 \$	FY2016 \$	Change \$
Revenue from ordinary activities	51,902,016	63,986,789	(12,084,773)
EBITDA	882,143	709,264	172,879
EBIT	87,074	(228,061)	315,135
Net profit before income tax expense	5,403,095	(2,222,908)	7,626,003
Net Profit from ordinary activities after tax	3,609,689	(2,438,195)	6,047,884
Earnings per share	1.47	(1.16) cents	-

The financial information provided in this report remains subject to finalisation of the audit process.

COMMENTARY

The Directors are pleased to report the following significant achievements were concluded successfully during financial year:

- ❶ Reduction in interest bearing debt to \$6.0M (from \$13.3M) by forgiveness agreement with the Commonwealth Bank of Australia.
- ❶ Negotiation and execution of a new three year banking facility agreement with the Commonwealth Bank of Australia providing the group with a stable platform from which to drive growth and profitability.
- ❶ Successful raising of \$4.4M new equity through a placement and pro-rata entitlement offer.
- ❶ Achievement of Practical Completion of the Melbourne Airport Trigeneration Power Plant. The completion of this project delivered a world-class 8MV Tri Generation plant for Melbourne Airport. Resources and Capital engaged in this long term project are now free to be allocated to the Groups core areas of growth moving forward

EVZ is now well positioned to grow revenues and profits by utilising the talented management team and skilled technical resource base in conjunction with the restored balance sheet in specialist engineering sectors.

OUTLOOK

EVZ Limited operates three business subsidiaries that are well positioned in their chosen markets to establish further growth and profitability.

BROCKMAN ENGINEERING

Brockman is one of Australia's leading and most capable specialist mechanical contractors servicing the oil and fuel industry; providing unsurpassed bulk storage tank and pipework design and construction services in addition to shutdown maintenance services for critical repair and plant improvement.

Brockman currently has a consistent workload for the ensuing six months including a wide range of tank construction projects and is actively bidding and providing advisory roles on new and upcoming larger scale projects in the fuel terminal and refinery sector. Currently delivering projects for Esso, Mobil, Viva Energy and Caltex with solid and growing contracted work in hand underpinned by our efficient value enhancement approach to projects and client partnerships.

The outlook for Brockman is consistent growth aligning with the predicted higher level of activity in the oil industry as the fuel supply chain continues to respond to rising population and increased ground and air transport movements throughout Australia. Brockman are seeking to exploit a market opportunity as a mid tier provider of value added services to the fuel industry.

SYFON SYSTEMS

Syfon Systems is the leading syfonic roof stormwater drainage company in Australia and South East Asia. Holding greater than 70% market share in Australia and Malaysia, Syfon is endeavouring in upcoming planning periods to expand in Vietnam and subsequent other Asian countries to continue a progressive geographic expansion strategy.

Syfon is also undertaking market research for future expansion into the plumbing supplies industry including pipe manufacture and fitting prefabrication and supply to improve earnings consistency and diversity.

The outlook for Syfon in Australia is moderate aligning with the building and construction sector cycle. Syfon is consistently appointed in major construction projects across the nation, most recently being appointed on the Royal Hobart Hospital project, value \$0.5M. Growth outlook in Asia is expected to be more fast paced gaining from the dual dimensions of increased building and construction sector activity and conversion of the industry from traditional gravity drainage to syfonic drainage.

TSF MAINTENANCE

TSF Maintenance Services is a manufacturer independent power generation maintenance provider currently expanding its reach throughout Australia. Offering high value and independence from large prime mover multinationals allows customers improved flexibility and responsive service.

TSF Maintenance provides service through multi year contracts to Australia's large telephone and data providers in addition to utilities, healthcare and large-scale corporate office complexes. Outlook

for power reliability maintenance services in these sectors is expected to grow as the need for greater reliability and community expectations of uptime availability grow.

Additional financial information is provided in the enclosed Appendix 4E: Preliminary Final Report.

EVZ Limited is an industrial group with a portfolio of specialist businesses in the engineering services sector. EVZ operates in the areas of specialist mechanical services including bulk storage tank and pipework design and construction, syfonic stormwater and roof drainage systems and power generation maintenance through subsidiaries; Brockman Engineering, Syfon Systems and TSF Maintenance. Additional information can be obtained from our website www.evz.com.au

For further information contact Scott Farthing, CEO +613 9545 5288

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CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Economic Entity	
	2017	2016
	\$	\$
Revenue	51,902,016	63,986,789
Cost of sales	(41,949,860)	(53,223,235)
Gross profit	9,952,156	10,763,554
Other income	93,345	46,604
Administration and business development costs	(9,474,695)	(10,408,568)
Corporate costs	(1,127,360)	(1,089,499)
Debt forgiveness	7,285,000	-
Impairment of other assets	(67,786)	-
Impairment of plant and equipment	(64,132)	-
Impairment of intangibles	-	-
Profit/(Loss) before financing costs and income tax	6,596,528	(687,909)
Net finance costs	(1,193,433)	(1,534,999)
Profit /(Loss) before income tax from continuing operations	5,403,095	(2,222,908)
Income tax (expense)/benefit	(1,793,406)	(215,287)
Net Profit/(Loss) for year	3,609,689	(2,438,195)
Net Profit/(Loss) attributable to:		
Members of the parent entity	3,609,689	(2,438,195)
Non-controlling interest	-	-
	3,609,689	(2,438,195)
	Cents per share	Cents per share
Earnings per Share:		
Overall operations		
Basic earnings per share	1.47	(1.16)
Diluted earnings per share	1.46	(1.16)
Continuing operations		
Basic earnings per share	1.47	(1.16)
Diluted earnings per share	1.46	(1.16)

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Economic Entity	
	2017	2016
	\$	\$
Profit/(Loss) for the year	3,609,689	(2,438,195)
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	(172,609)	(40,486)
Total comprehensive income/(loss) for the year attributable to Owners of the company	3,437,080	(2,478,681)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Economic Entity	
	2017	2016
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	1,551,970	1,561,574
Trade and other receivables	11,858,174	11,249,768
Inventories	1,607,744	1,764,881
Financial assets	28,487	31,417
TOTAL CURRENT ASSETS	15,046,375	14,607,640
NON-CURRENT ASSETS		
Trade and other receivables	1,119,934	1,449,202
Plant and equipment	3,777,140	4,688,822
Deferred tax assets	2,668,652	4,313,415
Intangible assets	12,072,010	12,072,010
Financial assets	-	-
TOTAL NON-CURRENT ASSETS	19,637,736	22,523,449
TOTAL ASSETS	34,684,111	37,131,089
CURRENT LIABILITIES		
Trade and other payables	10,819,022	14,478,636
Provisions	2,666,446	3,081,940
Tax liabilities	79,970	94,554
Short-term borrowings	1,085,286	13,317,789
TOTAL CURRENT LIABILITIES	14,650,724	30,972,919
NON-CURRENT LIABILITIES		
Long-term borrowings	6,033,330	122,958
Deferred tax liabilities	45,198	43,237
Provisions	386,834	206,997
TOTAL NON-CURRENT LIABILITIES	6,465,362	373,192
TOTAL LIABILITIES	21,116,086	31,346,111
NET ASSETS	13,568,025	5,784,978
EQUITY		
Issued capital	50,434,876	46,088,909
Reserves	(262,417)	(89,808)
Accumulated losses	(36,604,434)	(40,214,123)
TOTAL EQUITY	13,568,025	5,784,978

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$
30 June 2017				
Balance at 1 July 2016	46,088,909	(40,214,123)	(89,808)	5,784,978
Total comprehensive income for year				
Profit for year	-	3,609,689	-	3,609,689
Foreign currency translation reserve	-	-	(172,609)	(172,609)
Total comprehensive profit for year	-	3,609,689	(172,609)	3,437,080
Transactions with owners, recorded directly in equity				
Shares Issued	4,345,967	-	-	4,345,967
Dividends	-	-	-	-
Balance at 30 June 2017	50,434,876	(36,604,434)	(262,417)	13,568,025
30 June 2016				
Balance at 1 July 2015	46,088,909	(37,775,928)	(49,322)	8,263,659
Total comprehensive income for year				
Loss for year	-	(2,438,195)	-	(2,438,195)
Foreign currency translation reserve	-	-	(40,486)	(40,486)
Total comprehensive loss for year	-	(2,438,195)	(40,486)	(2,478,681)
Transactions with owners, recorded directly in equity				
Shares Issued	-	-	-	-
Dividends	-	-	-	-
Balance at 30 June 2016	46,088,909	(40,214,123)	(89,808)	5,784,978

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Economic Entity	
	2017	2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	56,292,930	75,268,312
Payments to suppliers and employees (inclusive of GST)	(59,977,746)	(72,495,316)
Income tax paid	(163,227)	(120,733)
Interest received	3,505	10,529
Finance costs	(1,196,938)	(1,545,528)
NET CASH FLOWS PROVIDED/(USED) BY OPERATING ACTIVITIES	(5,041,476)	1,117,264
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	175,198	276,792
Purchase of plant and equipment	(367,162)	(591,619)
NET CASH FLOWS (USED) BY INVESTING ACTIVITIES	(191,964)	(314,827)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans	-	5,200,000
Repayment of bank loans	-	(250,000)
Proceeds from equity raising	4,345,967	-
Proceeds from other loans	1,000,000	-
Payments for lease financing	(122,131)	(126,933)
NET CASH FLOWS PROVIDED/(USED) BY FINANCING ACTIVITIES	5,223,836	4,823,067
NET INCREASE/(DECREASE) IN CASH HELD	(9,604)	5,625,504
Cash at beginning of financial year	1,561,574	(4,063,930)
CASH AT END OF FINANCIAL YEAR	1,551,970	1,561,574

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BASIS OF PREPARATION OF PRELIMINARY FINANCIAL STATEMENTS

The preliminary report has been prepared on an accruals basis and is based on historical costs modified, where appropriate, by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The accounting policies applied in this preliminary report are consistent with applicable accounting standards.

PROFIT/(LOSS) FROM CONTINUING ACTIVITIES

		Economic Entity	
		2017	2016
		\$	\$
(a) OTHER INCOME			
Sundry income		93,345	46,604
		<u>93,345</u>	<u>46,604</u>
(b) EXPENSES			
Bad debts		290,928	118,603
Impairment – receivables		(80,848)	(291,336)
Total employee costs		31,535,892	36,229,543
Defined contribution superannuation expense		2,238,567	2,747,491
Foreign exchange losses/(gains)		273,877	(103,522)
(Profit)/Losses on sale of plant and equipment		208,789	118,280
Operating lease payments		920,376	835,170
Depreciation of plant and equipment		795,069	937,325
Impairment – other assets		67,786	-
Impairment – fixed assets		64,132	-
		<u>64,132</u>	<u>-</u>

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		Economic Entity	
		2017	2016
		\$	\$
(c) NET FINANCE COSTS			
Finance costs		1,196,938	1,545,528
Interest income		(3,505)	(10,529)
		<u>1,193,433</u>	<u>1,534,999</u>
INCOME TAX			
(a)	The prima facie tax on profit from continuing activities before income tax is reconciled to income tax as follows:		
	Profit/(Loss) before income tax	<u>5,403,095</u>	<u>(2,222,908)</u>
	Income tax calculated at 30% (2016: 30%)	1,620,929	(666,872)
	Tax effect of permanent differences	23,834	(118,002)
	Under provision/(over provision) in prior years	66,736	-
	Tax losses not recognised	-	784,874
	Taxation expense - offshore subsidiary	81,907	215,287
	Income tax expense/(benefit)	<u>1,793,406</u>	<u>215,287</u>
	<i>The applicable weighted average effective tax rates are:</i>	<u>33%</u>	<u>-</u>
(b)	The components of tax expense comprise:		
	Current tax	1,726,670	215,287
	Deferred tax	-	-
	Under provision/(over provision) in prior years	66,736	-
		<u>1,793,406</u>	<u>215,287</u>

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	Economic Entity	
	2017	2016
	\$	\$
ISSUED CAPITAL		
Issued and paid up		
678,810,138 ordinary shares		
(2016: 210,548,789 ordinary shares)	50,434,876	46,088,909
	50,434,876	46,088,909
Issued and fully paid up ordinary shares		
Opening balance	46,088,909	46,088,909
Shares issued	4,345,967	-
Closing balance	50,434,876	46,088,909
	No.	No.
Opening balance	210,548,789	210,548,789
Shares issued	468,261,349	-
Closing balance	678,810,138	210,548,789
OPTIONS		
Opening balance	-	-
Options issued	15,000,000	-
Closing balance	15,000,000	-

15,000,000 Unlisted Options were issued in connection with the Capital Raising during the year. The Unlisted Options were issued for nil cash consideration. The Unlisted Options are exercisable at \$0.02 per share and expire 4 years after their issue date (7 June 2017).

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	2017	2016
	No.	No.
EARNINGS PER SHARE		
Weighted average number of ordinary shares outstanding during the year used in calculation of Basic Earnings per Share	245,656,708	210,548,789
Weighted average number of ordinary shares outstanding during the year used in calculation of Diluted Earnings per Share	246,634,202	210,548,789
	2017	2016
	\$	\$
INTANGIBLE ASSETS		
Goodwill on consolidation	3,282,532	3,282,532
Less impairment	-	-
	3,282,532	3,282,532
Goodwill on acquisition	24,606,758	24,606,758
Less impairment	(15,817,280)	(15,817,280)
	8,789,478	8,789,478
	12,072,010	12,072,010

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		Economic Entity	
		2017	2016
		\$	\$
STATEMENT OF CASH FLOWS			
(i) Cash balances comprise:			
Cash on hand		1,551,970	1,561,574
Bank overdraft		-	-
Closing cash balance		1,551,970	1,561,574
(ii) Reconciliation of the operating profit/(loss) after tax to net cash flows from operations:			
Operating profit/(loss) after tax		3,609,689	(2,438,195)
(Gain)/loss on sale of plant and equipment		208,789	118,280
Depreciation - plant & equipment		795,069	937,325
Debt forgiveness		(7,285,000)	-
Foreign currency translation		(136,953)	(31,510)
Impairment - receivables		(80,848)	(291,336)
Impairment - plant & equipment		64,132	-
Impairment – other assets		67,786	-
Impairment Work In Progress		150,000	-
Impairment - goodwill		-	-
Changes in assets and liabilities adjusted for effects of acquisition/disposal of operations during financial year			
Increase/(Decrease) in provisions for employee entitlements		(235,657)	11,539
(Increase)/Decrease in inventories		89,351	60,183
(Increase)/Decrease in trade and other receivables		(345,360)	3,385,519
(Increase)/Decrease in fixed assets		-	(356,074)
(Increase)/Decrease in Deferred Tax Assets		1,644,763	-
Increase/(Decrease) in trade and other payables		(3,574,614)	(392,789)
Increase/(Decrease) in tax liabilities		(12,623)	114,322
Net cash provided/(used) by operating activities		(5,041,476)	1,117,264

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SEGMENT REPORTING CONTINUING OPERATIONS:

Identification of reportable segments

The Group 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 on the basis of 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 Group.

Inter-segment transactions:

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

Segment Reporting – Continuing Operations

	Engineering	Energy	Water	Corporate	Total
30 June 2017	\$	\$	\$	\$	\$
REVENUE					
External sales	25,629,563	6,247,444	20,025,009	-	51,902,016
Inter-segment sales	-	-	-	-	-
Total segment revenue	25,629,563	6,247,444	20,025,009	-	51,902,016

Reconciliation of segment revenue to group revenue

Inter-segment elimination	-
Total group revenue	51,902,016

Segment net profit/(loss) before interest and tax	592	(995,013)	1,704,664	5,886,285	6,596,528
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Reconciliation of segment result to group net profit before tax

Unallocated items	
• Net finance costs	(1,193,433)
• Other costs	-
Net profit/(loss) before tax from continuing operations	5,403,095

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	Engineering	Energy	Water	Corporate	Total
	\$	\$	\$	\$	\$
30 June 2017					
<i>Included in segment net profit before interest and tax</i>					
<i>Depreciation</i>	411,980	119,010	262,218	1,861	795,069
<i>Impairment</i>					
• Other Assets	-	67,786	-	-	67,786
• Plant and Equipment	-	64,132	-	-	64,132
• Work in Progress	-	-	-	150,000	150,000
• Receivables	16,656	-	(97,504)	-	(80,848)
• Goodwill	-	-	-	-	-

30 June 2016					
External sales	34,309,073	7,039,326	22,638,390	-	63,986,789
Inter-segment sales	2,544	-	-	-	2,544
Total segment revenue	34,311,617	7,039,326	22,638,390	-	63,989,333

Reconciliation of segment revenue to group revenue

Inter-segment elimination	(2,544)
Total group revenue	63,986,789

Segment net profit/(loss) before interest and tax	(862,771)	(756,946)	2,021,307	(1,089,499)	(687,909)
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Reconciliation of segment result to group net profit before tax

Unallocated items	
• Net finance costs	(1,534,999)
• Other costs	-
Net profit/(loss) before tax from continuing operations	(2,222,908)

Included in segment net profit before interest and tax

<i>Depreciation</i>	493,700	146,387	290,815	6,423	937,325
<i>Impairment</i>					
• Receivables	-	-	(291,336)	-	(291,336)
• Goodwill	-	-	-	-	-

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	Engineering \$	Energy \$	Water \$	Corporate \$	Total \$
<u>Secondary Reporting – including Discontinued Operations</u>					
30 June 2017					
ASSETS					
Segment assets	21,357,858	(2,735,104)	15,850,098	32,299,642	66,772,494
<i>Reconciliation of segment assets to group assets</i>					
Inter-segment eliminations					(32,088,383)
Total group assets					34,684,111
<i>Segment asset increases for the period</i>					
Capital expenditure	159,042	82,301	125,819	-	367,162
	159,042	82,301	125,819	-	367,162
LIABILITIES					
Segment liabilities	25,452,599	19,231,821	3,792,556	7,193,667	55,670,643
<i>Reconciliation of segment liabilities to group liabilities</i>					
Inter-segment eliminations					(34,554,557)
Total group liabilities					21,116,086
30 June 2016					
ASSETS					
Segment assets	21,117,699	(2,546,759)	16,224,647	29,749,215	64,544,802
<i>Reconciliation of segment assets to group assets</i>					
Inter-segment eliminations					(27,413,713)
Total group assets					37,131,089
<i>Segment asset increases for the period</i>					
Capital expenditure	445,453	9,320	136,846	-	591,619
	445,453	9,320	136,846	-	591,619
LIABILITIES					
Segment liabilities	25,213,774	18,349,465	5,383,579	13,941,012	62,887,830
<i>Reconciliation of segment liabilities to group liabilities</i>					
Inter-segment eliminations					(31,541,719)
Total group liabilities					31,346,111

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REVENUE BY GEOGRAPHICAL REGION

Revenue, including revenue from discontinued operations, attributable to external customers is disclosed below, based on the location of the external customer:

	Economic Entity	
	2017	2016
	\$	\$
Australia	44,495,372	56,438,135
Asia	7,406,644	7,548,654
Total revenue	51,902,016	63,986,789

ASSETS BY GEOGRAPHICAL REGION

The location of segment assets by geographical location of the assets is disclosed below:

	2017	2016
	\$	\$
Australia	27,797,039	29,572,486
Asia	6,887,072	7,558,603
Total assets	34,684,111	37,131,089

SUBSEQUENT EVENTS

At balance date the EVZ Ltd Group has a loan outstanding to a related entity of \$1,000,000 which matures on 15 December 2017. Subsequent to balance date the Directors have convened a general meeting of shareholders to seek approval for a partial conversion of the related entity loan into equity in the company. The company is seeking shareholder approval to convert \$600,000 of the related entity loan into fully paid ordinary shares in the company at an issue price of \$0.0139 per ordinary share. If the debt for equity conversion is approved by shareholders the company will issue 43,165,467 fully paid ordinary shares. Subject to the approval of this debt for equity conversion the maturity of remaining loan of \$400,000 will be extended to 15 June 2018.

The general meeting will be held on 1 September 2017.

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

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ADDITIONAL INFORMATION

Reporting period

The applicable reporting period is 1 July 2016 to 30 June 2017.

The previous corresponding reporting period was 1 July 2015 to 30 June 2016.

	2017	2016
Net tangible assets		
Net tangible assets per ordinary share	0.22 cents	(3.0) cents

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

Name of entity

Control gained/lost

Contribution of entity to reporting entity's from ordinary activities during the period

Loss of entity during the whole of the previous corresponding year Not applicable

Dividends and Distributions

Date on which each dividend or distribution is payable

Amount per security of foreign sourced dividend or distribution Not applicable

Details of dividend or distribution reinvestment plans Not applicable

Material interests in entities which are not controlled entities Not applicable

Compliance Statement – The accounts are in the process of being audited.