



Interim Financial Report and Appendix 4D

Empired Limited and its Controlled Entities
ABN 81 090 503 843

Reporting Period: Half year ended 31 December 2018

Previous Corresponding Period: Half year ended 31 December 2017

Results for announcement to the market:

				31-Dec-18 (\$)	31-Dec-17 (\$)
Revenue from ordinary activities	Up	4%	to	88,627,755	85,004,257
Profit before Interest, Tax, Depreciation and Amortisation	Up	23%	to	8,240,977	6,693,966
Net profit for the period attributable to members	Up	50%	to	2,242,857	1,498,895

				31-Dec-18 (Cents)	31-Dec-17 (Cents)
Basic earnings per share	Up	49%	to	1.40	0.94

				31-Dec-18 (Cents)	30-Jun-18 (Cents)
Net tangible asset backing per share				8.16	8.53

Dividends:

Nil

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.

Description of any modified opinion, emphasis of matter or other matter paragraph contained in the independent auditor's review report:

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 matter paragraph.

Empired Limited
And Its Controlled Entities

Interim Financial Report
For the half-year ended 31 December 2018

ACN 090 503 843

Contents

Corporate Directory	3
Directors' Report	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Cash Flows	7
Consolidated Statement of Changes in Equity	8
Notes to the Financial Statements	9
Directors' Declaration	16
Auditor's Independence Declaration	17
Independent Auditor's Review Report	18

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)

Company Secretary

David Hinton

Registered Office

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

Auditors

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

Company Number

A.C.N: 090 503 843

Share Register

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

Country of Incorporation

Australia

ASX Code

EPD

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

Adelaide

Level 2, 8 Leigh Street
Adelaide SA 5000

Melbourne

Level 5, 257 Collins Street
Melbourne VIC 3000

Brisbane

Level 11, 79 Adelaide Street
Brisbane QLD 4000

Seattle

2010 156th Ave NE
Suite 210
Bellevue, WA, 98007
USA

Sydney

Level 12, 9 Hunter Street
Sydney NSW 2000

Wellington

Level 4, 80 Willis Street
Wellington 6011

Website www.empired.com

Directors' Report

The directors present their interim report together with the consolidated half year financial report of Empired Limited ("the Company") and its controlled entities, for the half-year ended 31 December 2018.

Directors' Names

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

Thomas Stianos (Non-Executive Chairman)
John Bardwell (Non-Executive Director)
Richard Bevan (Non-Executive Director)
Chris Ryan (Non-Executive Director to 27 November 2018)
Cristiano Nicolli (Non-Executive Director from 22 October 2018)
Russell Baskerville (Managing Director & CEO)

Review of Results & Operations

Revenue for the half-year was \$88.6 million (HY2018: \$85.0 million), representing an increase of 4% on the prior corresponding period.

Consolidated net profit after tax for the half-year was \$2,242,857 (HY2018: \$1,498,895), representing an increase of 50% on the prior comparative period.

Dividends

The directors of Empired Limited have not declared a dividend for the half year ended 31 December 2018. The company did not pay a dividend for the previous financial year.

Auditor's independence declaration to the directors of Empired Limited

The directors have received an Independence Declaration from Grant Thornton Audit Pty Ltd, the auditors of Empired Limited and it is included in this Interim Financial Report.

Signed in accordance with a resolution of directors.



Russell Baskerville
Managing Director
Perth, 27th February 2019

Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

		Consolidated 6 months to 31 December 2018	Consolidated 6 months to 31 December 2017
	Notes	\$	\$
Revenue	7	88,627,755	85,004,257
Cost of services	5	(54,705,116)	(54,439,666)
Gross profit		33,922,639	30,564,591
Other Income	7	31,905	9,174
Administration expenses	5, 8	(26,759,829)	(24,307,747)
Occupancy expenses		(2,825,659)	(2,742,788)
Finance expenses		(677,747)	(553,724)
Other expenses		(476,824)	(1,056,733)
Profit before income tax		3,214,485	1,912,773
Income tax expense		(971,628)	(413,878)
Profit for the period		2,242,857	1,498,895
Other comprehensive income for the period, net of income tax			
<i>Items that may be reclassified subsequently to profit / (loss):</i>			
Exchange differences on translating foreign operations		452,545	(271,473)
Total comprehensive income for the period		2,695,402	1,227,422
Earnings per share (cents per share):			
Basic earnings per share	9	1.40	0.94
Diluted earnings per share	9	1.35	0.91

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

Statement of Financial Position

AS AT 31 DECEMBER 2018

	Notes	Consolidated 31 December 2018 \$	Consolidated 30 June 2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	10	6,747,212	13,364,679
Trade and other receivables		21,331,607	25,092,381
Work in progress		14,191,533	10,894,165
Other current assets		2,052,161	2,352,168
Total Current Assets		44,322,513	51,703,393
Non-Current Assets			
Plant and equipment		15,362,889	16,949,293
Intangible assets	11	65,991,404	62,712,777
Deferred tax asset		1,686,308	2,004,609
Total Non-current assets		83,040,601	81,666,679
TOTAL ASSETS		127,363,114	133,370,072
LIABILITIES			
Current Liabilities			
Trade and other payables		15,896,158	22,247,580
Income tax payable		590,609	502,472
Borrowings	12	2,204,401	2,381,231
Provisions		5,770,248	6,254,407
Unearned revenue		1,267,374	2,293,310
Total Current Liabilities		25,728,790	33,679,000
Non-current Liabilities			
Borrowings	12	19,936,890	20,327,773
Provisions		2,638,883	2,988,001
Total Non-current Liabilities		22,575,773	23,315,774
TOTAL LIABILITIES		48,304,563	56,994,774
NET ASSETS		79,058,551	76,375,298
EQUITY			
Issued capital	13	54,204,746	54,204,746
Reserves		3,008,013	2,285,107
Retained profits		21,845,792	19,885,445
TOTAL EQUITY		79,058,551	76,375,298

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

Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

		Consolidated 6 months to 31 December 2018	Consolidated 6 months to 31 December 2017
	Notes	\$	\$
Cash flows from operating activities			
Receipts from customers		97,728,667	94,897,792
Payments to suppliers and employees		(96,554,066)	(89,372,016)
Income tax paid		(454,737)	(266,739)
Net cash flows from operating activities		719,864	5,259,037
Cash flows from investing activities			
Payment for intangibles		(5,242,173)	(3,472,719)
Payment for plant and equipment		(375,785)	(269,143)
Net cash flows used in investing activities		(5,617,958)	(3,741,862)
Cash flows from financing activities			
Finance costs (net)		(645,844)	(694,550)
Repayment of borrowings		(1,800,834)	(1,495,267)
Repayment of finance lease liabilities		(317,299)	(527,848)
Proceeds from borrowings		1,000,000	100,163
Net cash flows used in financing activities		(1,763,977)	(2,617,502)
Net decrease in cash and cash equivalents		(6,662,071)	(1,100,327)
Effect of exchange rate fluctuations on cash held		44,604	(277,373)
Cash and cash equivalents at beginning of period		13,364,679	(844,913)
Cash and cash equivalents at end of period	10	6,747,212	(2,222,613)

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	<i>Issued Capital</i>	<i>Retained Profits</i>	<i>Foreign Currency Translation Reserve</i>	<i>Employee Equity Benefits Reserve</i>	<i>Total Equity</i>
	\$	\$	\$	\$	\$
Balance at 1 July 2018 (reported)	54,204,746	19,885,454	(96,676)	2,381,783	76,375,307
Adjustment from adoption of AASB 9	-	(282,519)	-	-	(282,519)
Profit for the period	-	2,242,857	-	-	2,242,857
Other comprehensive income / (loss)	-	-	452,545	-	452,545
Share payment expense	-	-	-	270,361	270,361
Balance at 31 December 2018	54,204,746	21,845,792	355,869	2,652,144	79,058,551
Balance at 1 July 2017	54,204,746	15,003,135	100,137	1,971,698	71,279,716
Profit for the period	-	1,498,895	-	-	1,498,895
Other comprehensive income / (loss)	-	-	(271,473)	-	(271,473)
Share payment expense	-	-	-	158,900	158,900
Balance at 31 December 2017	54,204,746	16,502,030	(171,336)	2,130,598	72,666,038

The 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 2018

1 NATURE OF OPERATIONS

Empired Limited is an international IT Services Provider with a broad range of capabilities and a reputation for delivering enterprise class IT services and solutions. Established in 1999, Empired is a publicly listed company (ASX: EPD) formed in Western Australia.

With operations in Australia, New Zealand and USA, Empired has built a reputation for service excellence and is a leading provider of business technology solutions to both government and private sectors. We work with clients to deliver high quality solutions to meet their business requirements.

Our flexible service delivery approach has enabled Empired to secure clients that range from medium size entities through to large enterprise and Government agencies.

2 GENERAL INFORMATION AND BASIS OF PREPARATION

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six (6) months ended 31 December 2018 and are presented in Australian Dollars, which is the functional currency of the Parent Company. These general purpose interim financial statements 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 2018 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 and the *Corporations Act 2001*.

The Interim Financial Statements have been approved and authorised for issue by the Board of Directors on 27 February 2019.

3 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Company in this interim financial report are the same as those applied by the Group in its financial report as at and for the year ended 30 June 2018.

The Group has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* on 1 July 2018.

AASB 15 Revenue from Contracts with Customers

AASB 15 introduces a 5-step process for revenue recognition from contracts with customers. The standard requires that revenue be recognised when the performance obligation is met, namely when the promised good or service is transferred to the customer. AASB 15 replaces all previous revenue related accounting standards. AASB 15 was applied by the Group from 1 July 2018. The Group adopted the full retrospective transitional provisions in assessing the impact of AASB 15.

Revenues from sales of goods are recognised by the Group when the goods are transferred to the customer, namely from the time the customer gains control of the goods. Revenue from services is recognised at the point the services are provided. Revenue is accounted for net of discounts and rebates.

The application of AASB 15 is not materially different from the previous standard in terms of revenue recognition. Application did not impact the way in which the Group accounts for revenues.

Notes to the Financial Statements (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 9 Financial Instruments

AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The standard replaces AASB 139 *Financial Instruments: Recognition and Measurement*.

The adoption of AASB 9 has not had a significant effect on the Group's accounting policies related to financial liabilities. Trade receivables is the only financial asset that has been impacted by the adoption of the standard, specifically the measurement basis for the impairment of trade receivables.

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost. This includes trade receivables and cash and cash equivalents in Empired's case.

Under AASB 9, loss allowances are measured on either 12-month ECLs or Lifetime ECLs. 12-month ECLs result from possible default events within the 12 months after reporting date and Lifetime ECLs result from all possible default events over the expected life of a financial instrument. The Group has elected to measure loss allowances on a 12-month ECL basis.

When determining the credit risk for trade receivables the Group uses quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, as well as forward-looking information. The adoption of AASB 9 has resulted in an increase to the provision for doubtful debts of \$403,599, an increase to deferred tax assets of \$121,080 and a decrease to opening retained earnings of \$282,519.

4 ESTIMATES

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

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 2018.

5 COST OF SERVICES

The comparative for cost of services shown in the Statement of Profit or Loss and Other Comprehensive Income has been reduced by \$1,623,302 with employment benefits expenses increased by \$723,542 and other administration expenses increased by \$899,760 as shown in note 8. The amendment to the comparative has been made for consistency purposes as a result of minor changes in the operations of the business. The table below discloses what was previously reported in the Interim Financial Report for the period ending 31 December 2017 to what is now reported.

	6 months to 31 December 2017	Change	Previously reported 6 months to 31 December 2017
Cost of services	54,439,666	(1,623,302)	56,062,968
Employment benefits expenses	14,989,623	723,542	14,266,081
Other administration expenses	5,081,481	899,760	4,181,721

Notes to the Financial Statements (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

6 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

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

	<i>Australia</i>	<i>New Zealand</i>	<i>Elimination</i>	<i>Total</i>
	\$	\$	\$	\$
Six months to 31 December 2018				
Revenue				
From external customers	60,078,258	28,549,497	-	88,627,755
From other segment	376,825	252,661	(629,486)	-
Total	60,455,083	28,802,158	(629,486)	88,627,755
Segment profit (EBITDA)	4,987,824	3,253,153	-	8,240,977
Segment assets	90,451,042	36,912,072	-	127,363,114

Six months to 31 December 2017

Revenue				
From external customers	56,048,184	28,956,073	-	85,004,257
From other segment	331,522	302,649	(634,171)	-
Total	56,379,706	29,258,722	(634,171)	85,004,257
Segment profit (EBITDA)	4,340,703	2,353,263	-	6,693,966
Segment assets	81,865,933	33,612,513	-	115,478,446

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

	<i>6 months to 31 December 2018</i>	<i>6 months to 31 December 2017</i>
	\$	\$
Total reporting segment EBITDA	8,240,977	6,693,966
Less:		
Finance costs (net)	(645,844)	(544,550)
Depreciation and amortisation expenses	(4,380,648)	(4,236,643)
Group profit before tax	3,214,485	1,912,773

Notes to the Financial Statements (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

7 REVENUES

	6 months to 31 December 2018	6 months to 31 December 2017
	\$	\$
Sales Revenue		
Services revenue	81,208,557	77,278,615
Product and license revenue	7,419,198	7,725,642
Total sales revenue	<u>88,627,755</u>	<u>85,004,257</u>
Other Income		
Interest revenue	31,905	9,174
Total Other Income	<u>31,905</u>	<u>9,174</u>
Total Revenue	<u><u>88,659,660</u></u>	<u><u>85,013,431</u></u>

8 ADMINISTRATION EXPENSES

Employee benefits expense (not included in cost of services)	16,096,987	14,989,623
Depreciation and amortisation expenses	4,380,648	4,236,643
Other administration expenses	6,282,194	5,081,481
	<u>26,759,829</u>	<u>24,307,747</u>

9 EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted EPS amounts are calculated by dividing net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The following represents the share data used in the EPS computations:

	6 months to 31 December 2018	6 months to 31 December 2017
	Thousands	Thousands
Weighted average number of ordinary shares for basic earnings per share	160,126	159,430
<i>Effect of Dilution:</i>		
Performance rights	6,543	5,184
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>166,670</u>	<u>164,614</u>

Notes to the Financial Statements (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

10 CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash at bank and in hand net of bank overdrafts. Cash at the end of the half year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated 31 December 2018	Consolidated 30 June 2018
	\$	\$
Cash at bank and in hand	6,747,212	13,364,679
Net cash and cash equivalents	<u>6,747,212</u>	<u>13,364,679</u>

(b) Reconciliation of profit after tax to net cash flows from operating activities

	Consolidated 31 December 2018	Consolidated 31 December 2017
	\$	\$
Profit after income tax	2,242,857	1,498,895
Finance expenses (net)	645,844	544,550
Depreciation and amortisation	4,380,648	4,236,643
Share payment expense	270,361	158,900
Foreign currency unrealised gain / (loss)	260,187	129,106
<i>Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:</i>		
Decrease in receivables	3,293,916	2,549,499
(Increase) / decrease in work in progress	(3,297,368)	125,699
Decrease in prepayments and other receivables	612,082	644,908
Decrease in trade creditors and other payables	(6,147,753)	(2,245,356)
Decrease in lease incentives	(467,073)	(468,492)
Decrease in unearned revenue	(1,025,936)	(1,924,018)
Decrease in deferred tax asset	318,301	43,451
Decrease in provision for employee entitlements	(366,202)	(34,748)
Net cash from operating activities	<u>719,864</u>	<u>5,259,037</u>

Notes to the Financial Statements (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

11 INTANGIBLE ASSETS

	<i>Consolidated 31 December 2018</i>	<i>Consolidated 30 June 2018</i>
	<i>\$</i>	<i>\$</i>
Goodwill		
Cost	46,446,049	46,446,049
Net carrying value	46,446,049	46,446,049
Software		
Cost	30,135,759	24,486,954
Amortisation	(10,639,915)	(8,291,525)
Net carrying value	19,495,844	16,195,429
Other		
Cost	487,037	480,562
Amortisation	(437,526)	(409,263)
Net carrying value	49,511	71,299
Total intangibles	65,991,404	62,712,777

	<i>Goodwill</i>	<i>Software</i>	<i>Other</i>	<i>Total</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Period ended 31 December 2018				
Balance at the beginning of the year	46,446,049	16,195,429	71,299	62,712,777
Additions	-	5,242,173	-	5,242,173
Amortisation charge	-	(2,253,294)	(27,020)	(2,280,314)
Foreign currency exchange differences	-	311,536	5,232	316,768
Closing value at 31 December 2018	46,446,049	19,495,844	49,511	65,991,404
Year end 30 June 2018				
Balance at the beginning of the year	46,446,049	11,454,922	151,480	58,052,451
Additions	-	8,332,703	-	8,332,703
Amortisation charge	-	(3,511,144)	(77,396)	(3,588,540)
Foreign currency exchange differences	-	(81,052)	(2,785)	(83,837)
Closing value at 30 June 2018	46,446,049	16,195,429	71,299	62,712,777

Intangible assets, other than goodwill, have finite lives and are required to be amortised over their expected lives.
Goodwill has an indefinite life.

Notes to the Financial Statements (Continued)

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

12 BORROWINGS

	<i>Consolidated 31 December 2018</i>	<i>Consolidated 30 June 2018</i>
	\$	\$
Current		
Amortised cost:		
Obligations under bank loan	1,200,000	1,200,000
Obligations under NZ-Dollar bank loan	667,111	640,559
Obligations under finance leases and hire purchase contracts	230,148	245,935
Obligations under premium funding contracts	107,142	294,737
	<u>2,204,401</u>	<u>2,381,231</u>
Non-current		
Amortised cost:		
Obligations under bank loan	17,268,445	17,445,255
Obligations under NZ-Dollar bank loan	2,668,445	2,882,518
	<u>19,936,890</u>	<u>20,327,773</u>

13 ISSUED CAPITAL

Ordinary Shares fully paid	54,204,746	54,204,746
Movement in ordinary shares on issue	No.	\$
At 1 July 2017	158,606,618	54,204,746
Issue of ordinary shares (net of issue costs)	1,471,301	-
At 30 June 2018	160,077,919	54,204,746
Issue of ordinary shares (net of issue costs)	49,278	-
At 31 December 2018	<u>160,127,197</u>	<u>54,204,746</u>

Ordinary shares entitle the holder to participate in dividends, and carry one vote per share.

	<i>Consolidated 31 December 2018</i>
	No.
Movement in Performance Rights for the reporting period	
On issue at the beginning of the period	5,184,166
Granted during the period	2,321,000
Forfeited during the period	(949,253)
Vested during the period	(49,278)
On issue at the end of the period	<u>6,506,635</u>

14 CAPITAL COMMITMENTS

Capital commitments at 31 December 2018 were \$291,307 (31 December 2017: nil).

15 SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial period which 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 years.

Directors' Declaration

In the opinion of the Directors of Empired Limited:

- (a) The consolidated financial statements and notes of Empired Limited are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; 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.



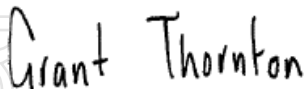
Russell Baskerville
Managing Director & CEO
Perth, 27th February 2019

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 2018. 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, 27 February 2019

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Independent Auditor's Review 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 (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other 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 Empired Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, 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*.

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.

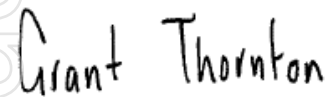
Auditor's responsibility

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 the Group's financial position as at 31 December 2018 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, 27 February 2019