



## Investor AGM Update

24 November 2022

### Overview

2022 has been another challenging year where retaining staff and growing capability to support an ambitious growth strategy over the coming years continues to be a priority. It has taken longer than anticipated to bring the revenue up to match the increased salary costs. The Kilimanjaro management team took a careful approach with each customer when applying price increases to ensure minimal customer churn and are currently undertaking a new round of increases on the same basis.

The management of Kilimanjaro with the support of the Board, continues to negotiate with MYOB on the proposed new Business Partner Agreement and their indicated reduction in the retrospective MYOB Exo margins as announced on 1 August 2022.

The fact that we were unable to match the revenue increases simultaneously with the salary increases will negatively impact the profitability in both the half year and end of year results, especially if we fail to get a resolution with MYOB. The board has made appropriate plans to address this situation through price increases and cost reductions where appropriate.

The revenue, including annual renewable revenues in all our investee companies has continued to grow well, in particular Datagate which has grown 55%, most of which has occurred in the US market.

The rights issue has generated AU\$780,370 and NZ\$167,620, which given the number of ineligible shareholders met the expectation of the board when the rights issue was proposed. The board is grateful for the continued support of shareholders. The Board will be actively working to place the remainder.

At 31 October 2022, Enprise had cash at hand of \$1.01 million and \$1.74 million in drawn bank facilities. The board appreciated the continued support of our banker, BNZ who provided us with a waiver of the banking covenants until 30 June 2023.

The Board remains focused on returning the Group to profitability. We believe that we are well positioned to maintain our position as MYOB's largest partner, and to grow our installed MYOB Exo base of 961 and MYOB Advanced base of over 200. This, in addition to our growth in SaaS based investee companies will enable us to return to profitability by year end.

## Unaudited Management Information for the 4 months ended 31 October 2022

### Group Results

#### Unaudited Management Information

	4 months to 31 October		Change
	2022	2021	
Revenue	6,631,771	5,710,203	16% Increase

### Kilimanjaro

#### Unaudited Management Information

	4 months to 31 October		Change
	2022	2021	
Revenue			
- Recurring and contracted revenue	2,529,200	2,153,469	17% Increase
- Non-recurring revenue	3,545,276	3,261,194	9% Increase
Total	6,074,476	5,414,663	12% Increase

### Kilimanjaro Highlights

- The productivity improvements identified as part of the internal review from merging the businesses under the Kilimanjaro Consulting brand continue to be implemented. These will assist in expanding the current gap between revenue and salary costs, increasing profitability. 12 of these identified projects were completed during the year.
- The support teams are focused on our #ClientFirst initiative which has seen customer satisfaction ratings improve significantly, to be best practice. This enables us to align our pricing with our positioning in the market: A premium provider, with high perceived value.
- There is a continuing trend to move to cloud-based software. Our experience integrating Exo on-premise software with cloud solutions gives our Exo clients a pathway to transition to the cloud, as and when they choose. Our Exo Hosted option supports those who wish to remain on Exo, but move to the cloud.

## Datagate

### Unaudited Management Information

At 31 October 2022	2022	2021	Change
Annual Recurring Revenue	\$2,934,012	\$1,889,100	55% Increase
Customer count			
- New Zealand	31	29	6% Increase
- North America	239	170	40% Increase
- Australia	42	35	20% Increase
- Rest of the world	33	24	37% Increase
Total	<b>345</b>	<b>258</b>	34% Increase

### Datagate Highlights of the last 12 months

- Completed the IT Quoter, Halo and Kaseya integrations.
- Raised \$750,000 in the rights issue at \$2.80 per share in October 2022.
- Exercised the convertible note at \$2.20 per share.
- The reseller channel at 31 October contributed 40% (up from 34% last year) of the customer volume and continues to grown strongly.

## iSell

### Unaudited Management Information

	As at 31 October		Change
	2022	2021	
Cloud customer count			
- Australia	216	181	19% Increase
- New Zealand	36	31	16% Increase
- Europe	47	55	15% Decrease
- North America	8	3	166% Increase
- Rest of the world	7	11	36% Decrease
Total	<b>314</b>	<b>281</b>	12% Increase
Revenue (4 months ended 31 October)			
- Recurring revenue	362,793	331,725	9% Increase

### iSell Highlights of the last 12 months

- iSell continues to develop the features required for a successful expansion into North America. The Avalara tax certification was achieved during the year as was integrations to Datagate and Hubspot.
- Our first case study for a USA customer was completed in May 2022.
- Further investment will be required in iSell with breakeven not anticipated while we continue to invest in new features and markets.

## Vadacom

Vadacom is continuing to performing to plan and the board is pleased with the year to date progress. The new cloud software, Next Voice now has 1,589 live extensions as at 31 October 2022 (up from 466 last year).