

**Company Announcements Office
Australian Stock Exchange
4th Floor, 20 Bridge Street
Sydney NSW**

28 February 2020

Dear Sir/Madam

APPENDIX 4D AND HALF YEAR FINANCIAL REPORT

In accordance with Listing Rule 4.2A, please find following the Appendix 4D and Half-Year Financial Report of Ambertech Limited for the period ended 31 December 2019.

Investors are advised that the outlook for the full year ending 30 June 2020 has been updated from previous guidance provided in November 2019.

Kind regards

A handwritten signature in black ink, appearing to read "R. Glasson", with a long horizontal flourish extending to the right.

**Robert Glasson
Company Secretary**

Ambertech Limited and Controlled Entities
ACN 079 080 158

Appendix 4D and Half Year Report
Period Ended 31 December 2019

For Immediate Release 28 February 2020

Results for Announcement to the market
Further Explanation of the Results
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Half Year Financial Report

Results for Announcement to the Market

For the period ended 31 December 2019

Key Information

The following information is provided to the ASX under listing rule 4.2A.

	31 Dec 19	31 Dec 18	Movement	
	\$'000	\$'000	\$'000	%
Revenue from ordinary activities	25,599	32,473	(6,874)	(21.2)
(Loss)/Profit after income tax for the period attributable to members	(1,577)	335	(1,912)	(571)
Net (loss)/profit for the period attributable to members	(1,577)	335	(1,912)	(571)

Dividend History

The Board has advised that there will be no interim dividend in respect of the period ended 31 December 2019.

	Amount	Franked
Interim dividends		
In respect of the half-year ended 31 December 2019	Nil	100%
In respect of the half-year ended 31 December 2018	Nil	100%
Final Dividends		
In respect of the year ended 30 June 2019	Nil	100%
In respect of the year ended 30 June 2018	Nil	100%

Key Ratios

	31 Dec 19	31 Dec 18
Net tangible assets per security ⁽¹⁾	7.6c	29.8c

(1) Includes right of use assets for 31 Dec 19.

Further Explanation of the results follows in the attached commentary and Half Year Financial Report

Further Explanation of the Results

For the period ended 31 December 2019

Result for the year

	31 Dec 19 \$'000	31 Dec 18 \$'000	Change %
Revenue	25,599	32,473	(21.2)
EBIT ⁽¹⁾	(1,030)	681	(251)
Net finance costs ⁽²⁾	(775)	(324)	
(Loss)/Profit before income tax	(1,805)	357	(606)

(1) Includes one off charges for restructure and transactional costs associated with the acquisition of the Hills Limited AV business of \$705,000.

(2) Includes interest relating to leased property of \$341,000 in accordance with AASB 16 Leases.

Revenue for the current reporting period was down on the previous corresponding period due to several factors. These included:

- supply issues of a major consumer electronics manufacturer;
- sales agency rearrangements to deal with incoming competing brands;
- relative slowing of the residential installation market; and
- Reduced number of projects falling into this reporting period. The first half of the prior year was particularly strong in this area with several projects completed. Our project pipeline remains strong.

As a result of the decline in revenue during the period the business has recorded a first half loss. This loss included accounting for significant one-off charges relating to transaction and restructure costs associated with the acquisition of the Hills Limited Audio Visual ("HAV") division in December.

Further explanation of the result is included in the segment results below.

Segment Results

Lifestyle Entertainment Segment

Sales revenue down 12.6% to \$12,635,000 (Dec 18: \$14,461,000). **EBIT** down 102.8% to \$(432,000) (Dec 18: \$(213,000)).

Sales in our Lifestyle Entertainment segment were down during the period under review with significant supply issues hampering sales and marketing efforts in the consumer electronics retail market. Onkyo Corporation (Japan) has been unable to provide satisfactory product supply due to changes made in their manufacturing operations as part of the aborted sale of its Home AV business to Sound United LLC (USA).

These Onkyo supply issues also depressed activity in the residential installation market, with low stock availability of Integra branded AV receivers, which is a market leading plank product in this segment. We expect to see a return to consistent supply lines from Onkyo toward the end of the financial year. We will also be introducing a new brand to the major retail portfolio this half with the supply of Phillips branded projectors to the CE retail market.

Results for the last two months of the period were impacted by rearrangement of our agency portfolio to accommodate new brands from the HAV acquisition. Integration of these brands and agencies is now complete and working well.

Ongoing margin improvements are also expected to assist results in the near future.

Professional Segment

Sales revenue down 27.7% to \$12,054,000 (Dec 18: \$16,669,000). **EBIT** down 129.7% to \$(337,000) (Dec 18: \$1,136,000).

The Professional segment contains multiple different revenue streams. Business in the Professional AV and Musical Instruments (MI) areas continue to grow as we strive to underpin segment results with consistent returns across reporting periods. This growth is important in ensuring positive results in where the business is unable to recognise revenue from major project work in the broadcast media, defence, law enforcement and emergency services markets.

Results for the period were impacted by supply problems with a major supplier, causing disruption in sales to the MI channel. This disruption has been rectified since the end of the reporting period.

A number of significant projects progressed during the period but were not able to be brought to account. We continue to work hard toward recognising the return for our efforts during the second half of the financial year.

Segment Results continued

New Zealand Segment

Sales revenue down 13.8% to \$1,458,000 (Dec 18: \$1,691,000). **EBIT** up 101.4% to \$1,000 (Dec 18: \$(70,000)).

A stabilised workforce has contributed toward improved results in our New Zealand operations. Sales efforts are being rewarded and our margin improvements have also assisted these results. Our NZ operations will also be boosted in the second half by the HAV acquisition, with a significantly increased brand portfolio and customer base.

Outlook for the business

The second half of the financial year has commenced with strong results across the business. Of particular note:

- The integration and ongoing supply of the acquired HAV brands to the market under the Amber Technology banner has been well received. We are seeing strong early returns from both existing and new customers from these brands, and this should continue to improve;
- Sales of our accessory brand One For All continue to be strong during a period where activity is often slower due to seasonality. Expanded market penetration in both Australia and New Zealand has assisted this growth; and
- Business activity in the traditional media markets has improved, with a very strong billing period early in the second half, including both projects and recurring revenue

There are a number of very significant opportunities for the Ambertech business for the second half of the financial year, and into future reporting periods:

- Much of the disruption that a significant acquisition can cause is now behind us. Infrastructure projects that were required are largely complete, and the supply chain for new brands continues to be streamlined. We are very pleased with the performance of our team, and the new Amber staff throughout this process;
- Exciting possibilities continue to exist to expand on the innovative wireless communications systems supplied to the emergency services and other government agencies; and
- The introduction of a new range of portable home theatre projectors to the CE retail market, under the Phillips brand, is expected to occur this half.

Management are continuing to improve agency integration and customer experience to ensure the best possible outcomes from the HAV acquisition and the now expanded Ambertech business. We are watching very closely as the world attempts to mitigate the impact of the Covid-19 virus outbreak, and we are conscious that a protracted process could have significant impact on supply lines out of China.

Outlook for the business continued

The Ambertech Board has provided guidance for the full financial year as presented in an investor update dated 13 November 2019. Given the HAV acquisition was completed later than expected, that one-off costs were incurred, we now expect to report full year revenue in the order of \$68-70M and EBIT of approximately \$1.8-\$2.0M, after incorporating changes resulting from AASB 16 Leases.

Preliminary results show that Ambertech has traded profitably for the period subsequent to 31 December 2019.

On behalf of the Board

A handwritten signature in black ink, appearing to read "R. Glasson", is positioned above the printed name and title of the signatory.

Robert Glasson
Company Secretary

Financial Data

	31 Dec 19	31 Dec 18	Movement	
	\$'000	\$'000	\$'000	%
Sales Revenue				
Lifestyle Entertainment	12,635	14,461		
Professional	12,054	16,669		
New Zealand	1,458	1,691		
Inter-segment	(554)	(356)		
Total Sales Revenue	25,593	32,465	(6,872)	(21.2)
Segment Result				
Lifestyle Entertainment	(432)	(213)		
Professional	(337)	1,136		
New Zealand	1	(70)		
Unallocated/Corporate	(262)	(172)		
Earnings before interest and tax (EBIT)	(1,030)	681	(1,711)	(251)
Net interest expense	(775)	(324)		
Net profit before tax	(1,805)	357	(2,162)	(606)
Income tax benefit/(expense)	228	(22)		
Net profit for the period	(1,577)	335	(1,912)	(571)
Key Ratios				
EBIT/Sales	(4.0)%	2.1%		
Inventory/Sales	30.1%	21.0%		
Receivables/Sales	20.2%	16.3%		
Basic (loss)/earnings per share	(4.5)c	1.1c		

For further information, please contact our Company Secretary, Mr Robert Glasson.



AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

HALF-YEAR FINANCIAL REPORT

PERIOD ENDED 31 DECEMBER 2019

AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

DIRECTORS' REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

Your directors submit the financial report of Ambertech Limited (referred to hereafter as the consolidated entity) comprising Ambertech Limited and the entities it controlled for the half-year ended 31 December 2019.

Directors

The following persons were directors of Ambertech Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated.

Peter Francis Wallace

Peter Andrew Amos

Edwin Francis Goodwin

Thomas Robert Amos

David Rostil Swift

Review of Operations

A review of the operations of the consolidated entity during the half-year and the results of these operations are set out in the attached Appendix 4D.

Results of Operations

The consolidated loss after providing for income tax for the period ended 31 December 2019 was \$(1,577,000), down by \$1,912,000 on the previous corresponding period (2018: profit of \$335,000). Revenue for the period was \$25,599,000 (2018: \$32,473,000). Further information on the operating results are included in the attached Appendix 4D.

Dividend

There were no dividends paid or declared during the half-year ended 31 December 2019.

Rounding of Amounts

The company is of a kind referred to in Corporations Instrument 2016/91, issued by the Australian Securities and Investment Commission, relating to 'Rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a resolution of directors.



P F Wallace
Chairman of Directors



P A Amos
Managing Director

Dated this 28th day of February 2020
Sydney

DECLARATION OF INDEPENDENCE BY MARTIN COYLE TO THE DIRECTORS OF AMBERTECH LIMITED

As lead auditor for the review of Ambertech Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Ambertech Limited and the entities it controlled during the period.



Martin Coyle
Partner

BDO East Coast Partnership

Sydney, 28 February 2020

AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Note	31-Dec-19 \$'000	31-Dec-18 \$'000
Revenues	7	25,599	32,473
Cost of sales		(18,309)	(23,535)
Gross Profit		7,290	8,938
Other income		12	-
Employee benefits expense		(5,220)	(5,143)
Distribution costs		(675)	(733)
Marketing costs		(203)	(275)
Premises costs		(85)	(989)
Travel costs		(240)	(299)
Depreciation and amortisation expense		(636)	(224)
Finance costs		(775)	(324)
Other expenses		(568)	(594)
Acquisition and restructure costs		(705)	-
(Loss)/Profit before income tax		(1,805)	357
Income tax benefit/(expense)		228	(22)
(Loss)/Profit after income tax for the half-year		(1,577)	335
Other comprehensive income			
Exchange differences on translation of foreign operations		(43)	44
Total comprehensive (loss)/income for the half-year		(1,620)	379
Earnings per share			
Basic (loss)/earnings per share (cents)		(4.5)	1.1
Diluted (loss)/earnings per share (cents)		(4.5)	1.1

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes and the 30 June 2019 Annual Report.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31-Dec-19 \$'000	30-Jun-19 \$'000
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents		960	1,207
Trade and other receivables		9,477	11,249
Inventories		17,233	13,629
TOTAL CURRENT ASSETS		27,670	26,085
NON-CURRENT ASSETS			
Plant and equipment		800	875
Right-of-use asset		6,755	-
Intangible assets		963	61
Deferred tax assets		2,535	1,213
TOTAL NON-CURRENT ASSETS		11,053	2,149
TOTAL ASSETS		38,723	28,234
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Trade and other payables		12,192	11,997
Lease liability		834	-
Other financial liabilities		4,521	5,608
Provisions		2,075	1,764
TOTAL CURRENT LIABILITIES		19,622	19,369
NON-CURRENT LIABILITIES			
Lease liability		9,653	-
Provisions		109	88
Deferred tax liabilities		4	19
TOTAL NON-CURRENT LIABILITIES		9,766	107
TOTAL LIABILITIES		29,388	19,476
NET ASSETS		9,335	8,758
<u>EQUITY</u>			
Share capital	5	15,915	11,138
Reserves		17	58
Accumulated losses		(6,597)	(2,438)
TOTAL EQUITY		9,335	8,758

The above consolidated statement of financial position should be read in conjunction with the accompanying notes and the 30 June 2019 Annual Report.

AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Share Based Payments Reserve \$'000	Accumulated losses \$'000	Total Equity \$'000
Balance as at 1 July 2019	11,138	52	6	(2,438)	8,758
Restatement on adoption of AASB 16 leases (refer note 2)	-	-	-	(2,582)	(2,582)
Balance after adjustment 1 July 2019	11,138	52	6	(5,020)	6,176
Loss for the half-year	-	-	-	(1,577)	(1,577)
Exchange differences on translation of foreign operations	-	(43)	-	-	(43)
Total comprehensive (loss) for the half-year	-	(43)	-	(1,577)	(1,620)
Transactions with equity holders:					
Share issue net of transaction cost (refer note 5)	4,777	-	-	-	4,777
Costs of share based payments	-	-	2	-	2
Balance as at 31 December 2019	15,915	9	8	(6,597)	9,335
Balance as at 1 July 2018	11,138	(14)	4	(1,106)	10,022
Profit for the half-year	-	-	-	335	335
Exchange differences on translation of foreign operations	-	44	-	-	44
Total comprehensive income for the half-year	-	44	-	335	379
Transactions with equity holders:					
Costs of share based payments	-	-	-	-	-
Balance as at 31 December 2018	11,138	30	4	(771)	10,401

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes and the 30 June 2019 annual report.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Note	31-Dec-19 \$'000	31-Dec-18 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		30,310	32,346
Payments to suppliers and employees		(26,815)	(30,523)
Interest received		6	8
Interest and other costs of finance paid		(775)	(324)
Goods and services tax remitted		(1,878)	(2,640)
Net cash from/(used) in operating activities		848	(1,133)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of plant and equipment		(72)	(22)
Payment for the acquisition of business	6	(4,319)	-
Net cash used in investing activities		(4,391)	(22)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		63	1,474
Repayment of borrowings		(1,150)	-
Repayment of leases		(378)	-
Proceeds from share issue		4,777	-
Net cash provided by financing activities		3,312	1,474
Net (decrease)/increase in cash and cash equivalents held		(231)	319
Cash and cash equivalents at beginning of period		1,207	859
Effect of exchange rate changes on cash and cash equivalents		(16)	5
Cash and cash equivalents at end of period		960	1,183

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes and the 30 June 2019 annual report.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 1: STATEMENT OF COMPLIANCE

This general purpose interim financial report for the half-year ended 31 December 2019 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International financial Reporting Standard IAS 34 'interim financial reporting'.

This interim financial report does not include all the notes of a type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the most recent annual financial report for the year ended 30 June 2019 and any public announcements made by Ambertech Limited during the interim financial reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

GOING CONCERN

The consolidated interim financial report has been prepared on a going concern basis.

For the half-year ended 31 December 2019, the consolidated entity incurred a loss after income tax of \$1,577,000 (2018: profit of \$335,000). Despite the loss incurred, the consolidated entity generated operating cash inflows of \$848,000 (2018: operating cash outflows of \$1,133,000) and successfully raised \$4,777,000 in new equity (net of transactions costs) to fund the acquisition of the audio visual division of Hills Limited.

Management have prepared cash flow forecasts for the next 12 months incorporating the combined businesses which has indicated that the consolidated entity will have sufficient cash assets to be able to meet its debts as and when they are due.

The directors have therefore concluded that there are reasonable grounds to believe that the basis for the preparation of the financial statements on a going concern basis is appropriate.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in preparing this financial report for the half-year ended 31 December 2019 are consistent with those applied in the annual financial report for the year ended 30 June 2019, unless otherwise stated.

NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy.

The following new Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases

The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of Adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on ongoing accumulated losses at at 1 July 2019 was as follows:

On transition to AASB 16, the Group recognised an additional \$7,175,000 of right-of-use assets, \$10,865,000 of lease liabilities, \$1,107,000 of deferred tax assets, recognising the difference in accumulated losses. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at date of initial application of AASB 16. The rate applied was 6.45%.

	HY Dec 2019 Balances Applying AASB 16 \$'000	HY Dec 2019 Balances Applying AASB 117 \$'000	Movement \$'000
Impact of AASB 16			
<u>Statement of Profit or Loss</u>			
Premise cost	85	804	720
Finance costs	775	434	(341)
Depreciation	636	216	(420)
<u>Statement of financial position</u>			
Right of use asset	6,755	-	6,755
Lease liability	(10,487)	-	(10,487)
Accumulated losses	(6,597)	(4,015)	2,582
Deferred tax	2,535	1,423	1,112
<u>Statement of Cash Flows</u>			
Cash flows from operating activities	848	506	(341)
Cash flows used in financing activities	3,312	3,690	378

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 3: EVENTS SUBSEQUENT TO REPORTING DATE

No matters have arisen 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.

NOTE 4: DIVIDENDS

	31-Dec-19 \$'000	31-Dec-18 \$'000
Recognised as distributions to equity holders		
There was no fully franked final dividend paid during the half-year ended 31 December 2019.	-	-
Declared before the interim report is authorised for issue but not recognised as distributions to equity holders at the end of the period		
Fully franked interim dividend	-	-

NOTE 5: ISSUED CAPITAL

Fully Paid Ordinary Shares

Balance at the beginning of the financial year		11,138	11,138
Issue of Shares	(a)	5,047	-
Less: Transaction costs in relation to the capital raising	(b)	(270)	-
Ordinary Shares		15,915	11,138

Fully Paid Ordinary Shares

			No.	No.
Balance at the beginning of the financial year			30,573,181	30,573,181
Shares issued during the period	14/11/2019	(a)	4,585,977	-
	16/12/2019	(a)	27,204,933	-
	16/12/2019	(a)	14,090,904	-
Balance at the end of the financial period			76,454,995	30,573,181

- (a) On 8 November 2019 Ambertech Limited announced an equity raising in relation to the acquisition of the Audio Visual division of Hills Limited. The raising was done with a combination of a Share Placement and a fully underwritten Share Purchase Plan. Institutional and sophisticated investors, as well as existing shareholders participated in the issue of 45,881,814 shares at an issue price of 11c per share.
- (b) Transaction costs deducted from issued capital relating directly to the capital raising.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 6: BUSINESS COMBINATIONS

On 17 December 2019, Ambertech Limited acquired the Audio Visual Division of Hills Limited.

Details of the acquisition are as follows:

	Fair Value \$'000
Consideration	
- Contract sum	4,851
- Deferred cash payments	(532)
Total Cash Consideration	<u>4,319</u>
Net identifiable assets acquired	
- Inventory on hand	3,525
- Fixed Assets	60
- Customer Relationships and other intangible assets	375
- Provisions	(302)
Net identifiable assets acquired	<u>3,658</u>
Goodwill on acquisition	<u>661</u>

Transaction costs of \$255,000 and restructure costs of \$450,000 were recognised in respect to this acquisition for the half year and are included in the consolidated statement of profit or loss and other comprehensive income.

Impact of acquisition on the results of the Group

As the acquisition was completed on 17 December 2019, the impact on revenue and profit or loss of the Group was limited for the half year ended 31 December 2019.

AASB 3 Business Combinations requires disclosure of both the revenue and profit and loss of the acquired business from the date of acquisition, and disclosure of revenue and profit and loss for the current reporting period as though the acquisition date for all business combinations had been as of the commencement of the financial period.

Revenue from new brands that were part of the business acquisition for the reporting period since acquisition date was \$260,000. Management have determined that disclosure of the profit and loss of the acquired brands from the date of acquisition is impractical after considering various factors, including the pre-acquisition operating environment of the acquired business and brands, and the effective merger of the acquired business into the marketing, distribution and other activities of the Group.

Management has also determined that it is impractical to determine the revenue and profit and loss of the combined entity for the current reporting period as though the acquisition date occurred at the beginning of the reporting period, as the acquired business was not separately reported within the business of the acquiree.

Provisional Amounts

As the acquisition has only recently occurred the Group has provisionally accounted for the acquisition. The final position will be accounted for within 12 months in accordance with AASB 3.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

NOTE 7: SEGMENT REPORTING

	Professional	Lifestyle Entertainment	New Zealand	Eliminations	Total
	31-Dec-19	31-Dec-19	31-Dec-19	31-Dec-19	31-Dec-19
Segment Results	\$'000	\$'000	\$'000	\$'000	\$'000
Total segment revenue	12,054	12,091	1,448	-	25,593
Inter-segment revenue	-	544	10	(554)	-
Revenue from external customers	12,054	12,635	1,458	(554)	25,593

Result

Segment EBIT	(337)	(432)	1	-	(768)
Unallocated/corporate result					(262)
EBIT					(1,030)
Net interest and finance costs					(775)
Loss before income tax					(1,805)
Income tax benefit					228
Loss for the half-year					(1,577)

	31-Dec-18	31-Dec-18	31-Dec-18	31-Dec-18	31-Dec-18
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment Results (Comparatives)					
Total segment revenue	16,676	14,144	1,653	-	32,473
Inter-segment revenue	1	317	38	(356)	-
Revenue from external customers	16,677	14,461	1,691	(356)	32,473

Result

Segment EBIT	1,136	(213)	(70)	-	853
Unallocated/corporate result					(172)
EBIT					681
Net interest and finance costs					(324)
Profit before income tax					357
Income tax expense					(22)
Profit for the half-year					335

Segment Assets	Professional	Lifestyle Entertainment	New Zealand	Unallocated/ Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Segment Assets					
31 December 2019	9,141	17,534	1,749	10,299	38,723
30 June 2019	11,857	12,486	1,631	2,260	28,234
Total Segment Liabilities					
31 December 2019	6,099	6,523	586	16,180	29,388
30 June 2019	7,475	5,149	513	6,339	19,476

AMBERTECH LIMITED AND CONTROLLED ENTITIES


ACN 079 080 158

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*



P F Wallace
Chairman of Directors



P A Amos
Managing Director

Dated this 28th day of February 2020
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ambertech Limited

Report on the Half-Year Financial Report

Conclusion

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

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not 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 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 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 2019 and its financial 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 the Group, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

BDO

A handwritten signature in black ink, appearing to read 'Martin Coyle', is written over the printed name.

Martin Coyle
Partner

Sydney, 28 February 2020