



Market Release, Auckland, New Zealand

**27 February 2020**

Finzsoft Solutions Limited (NZX:FIN) Reports Interim Financial Results for Half Year Ended 31 December 2019.

Finzsoft provides its half-year report and summary for the half year ended 31 December 2019, as follows:

- Six-month operating revenue of \$4.76 million is a decrease on the same period last year (31 December 2018: \$6.64 million).
- Net loss after tax of \$682k has decreased from the same period last year (31 December 2018: \$1,067k loss).
- EBITDA of -\$92k has improved on the same period last year (31 December 2018: -\$380k).
- Finzsoft continues to enjoy a stable and committed customer base supporting underlying, recurring license and professional service revenue.
- Highlights for the six-month period include:
  - Considerable progress in delivering the previously disclosed material first work order for the delivery of our next generation product, Open Connected Core (OCC), and investment in digital products investment. A number of licences with customers have been pre-paid providing the necessary funding to invest in the OCC development and demonstrates the strong level of support Finzsoft enjoys with its customers.
  - A reduction in operating costs (\$4.9 million) compared to the same period last year (\$7.0 million). This reduction includes \$188k of occupancy expenses which have been reclassified as depreciation and interest expense arising from the adoption of NZ IFRS 16 Leases.
  - An investment in a digital business Sush Labs Limited.
- Having regard to all matters noted, the Board has concluded that it is appropriate for the company to prepare these financial statements on a going concern basis (refer note 1).
- Commenting on the results, Managing Director Andrew Holliday said “The first half of FY20 is categorised by a continuation of the reinvestment into Finzsoft’s proprietary and next generation products. Management and Board have been focussed on the delivery of our OCC offering designed to empower existing and new customers to rapidly evolve to meet or disrupt the needs of a dynamic market, whilst also adopting new and disruptive delivery and pricing models. Through our focus on product development, delivery of the disclosed first material work order for our next generation products, along with a commitment to our existing customer relationships, the Board has a clear and focused strategy to drive long term revenue growth and profitability.”

Signed for and on behalf of the board of directors

R McKinnon  
Chairman

A Holliday  
Managing Director



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