

ASPERMONT LIMITED

Appendix 4D

(AUD)

Financial statements for the half-year ended 31 March 2021

All comparisons to half-year ended 31 March 2020

Aspermont Limited Consolidated			\$'000
Revenue from continuing operations	Down	10%	7,278
Gross Profit	Up	6%	4,592
Net Profit after tax attributable to equity holders of the parent entity	Up	219%	328
EBITDA	Up	193%	565
Cashflow from operating activities	Up	1034%	2,097
Cash at the end of period	Up	1943%	7,395
Net Assets	Up	88%	6,112

Note: Revenue continues to be impacted by suspension of live events COVID-19. This is further detailed in the Operations report within the 31 March 2021 half-year financial statements.

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	N/A	N/A
Interim dividend	N/A	N/A

Additional dividend/distribution information

N/A

Dividend/distribution reinvestment plans

The Aspermont dividend re-investment plan is currently suspended.

NTA Backing	HY21	HY20
Net tangible asset backing per ordinary share	(0.15)c	(0.45)c
Net tangible asset backing per ordinary share (weighted)	(0.16)c	(0.46)c

Details of aggregate share of losses of associates and joint venture entities

	HY21	HY20
Groups share of associates and joint venture entities	\$'000	\$'000
Share of loss from ordinary activities of associates	-	-
Material interest in entities which are not controlled entities (% held)	-	-

Additional appendix 4D disclosure requirements can be found in the Directors' Report and the 31 March 2021 half-year financial statements.

This report is based on the consolidated 2021 half-year financial statements which have been reviewed by Elderton with the Independent Review Report included in the 31 March 2021 half-year financial statements.

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Aspermont

Information for Industry

ABN: 66 000 375 048

HALF YEAR REPORT

For the financial Half Year ended
31 MARCH 2021

Lodged with ASX under listing rule 4.2A.3



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CORPORATE DIRECTORY

Directors

Andrew Leslie Kent (Non-Executive Chairman)
John Stark (Alternate to Andrew Kent)
Alex Kent (Managing Director, Group)
Geoffrey Donohue (Lead Independent Director)
Tricia Klinger (Non-Executive Director)

Company Secretary

Tim Edwards

Other Key Management Personnel

Nishil Khimasia (Chief Financial Officer, Group)
Ajit Patel (Chief Operating Officer, Group)
Matt Smith (Chief Commercial Officer, Group)
Leah Thorne (Group People Director)

Registered Office

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Perth WA 6000
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Postal Address

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Solicitors

Ian B. Mitchell & Associates
19-29 Martin Place
Sydney NSW 2000

Auditors

Elderton Audit Pty Ltd
Level 2, 267 St Georges Terrace
Perth WA 6000

Share Registry

Automic Registry Services
Level 2 / 267 St Georges Terrace
Perth WA 6000

Bankers

National Australia Bank Group
197 St Georges Terrace
Perth WA 6000

Australian Stock Exchange Limited

ASX Code: ASP

Website

www.aspermont.com



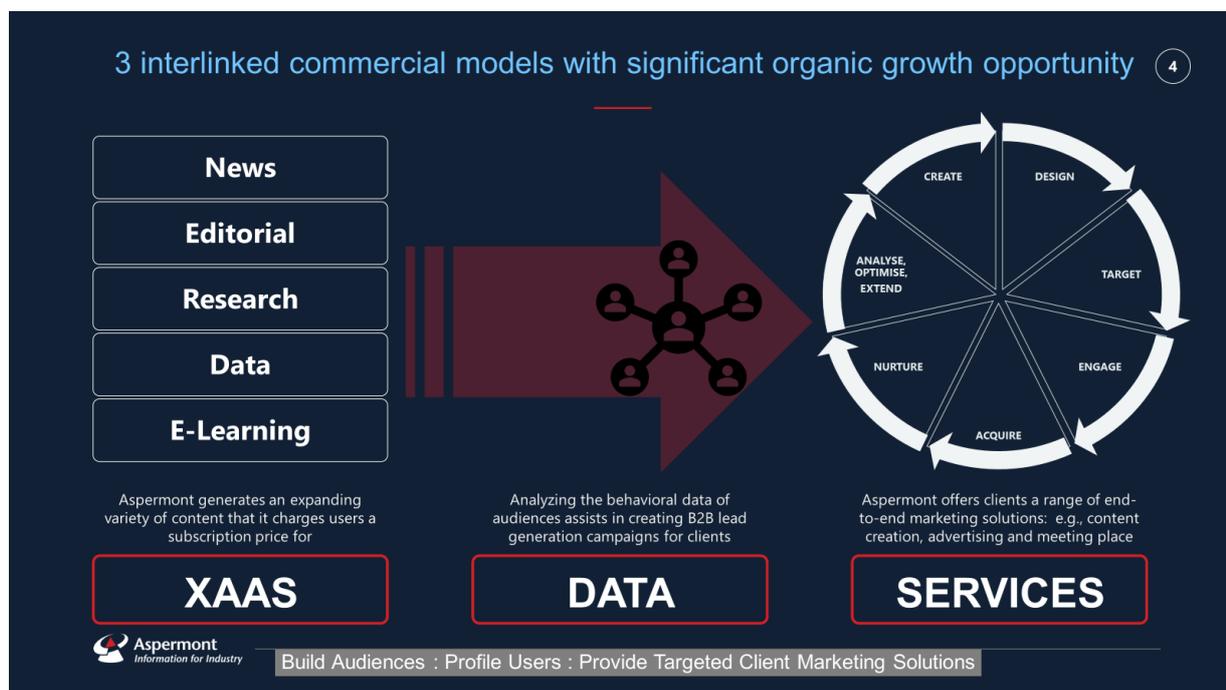
Note: All slides presented within the body of this report are excerpts from the recently announced presentation: "Aspermont H1-21 Investor Update"

Overview

Aspermont is a 5-year-old mediatech company but has a 180-year legacy. Aspermont is the leading media services provider to the global resource industries and over the last few years, the company has completed a comprehensive corporate, operational, digital, and financial turnaround.

Aspermont now operates 3 primary organic models, all of which should provide significant and leveraged future growth.

1. XaaS
2. Data
3. Services



Aspermont has numerous 'breadth' strategies in development to drive the growth of the subscriptions and client base. Similarly, the company has numerous 'depth' strategies to drive pricing and account penetration.

Alongside the organic growth models, Aspermont is presently assessing several new inorganic growth opportunities to leverage its existing brands, communities, and management expertise to build new Aspermont businesses to service the broader natural resource sectors.

For the first time since the turnaround in Aspermont began in 2015, Aspermont has a strong balance sheet and is addressing favourable market conditions. Both these factors support growth.



H1-2021

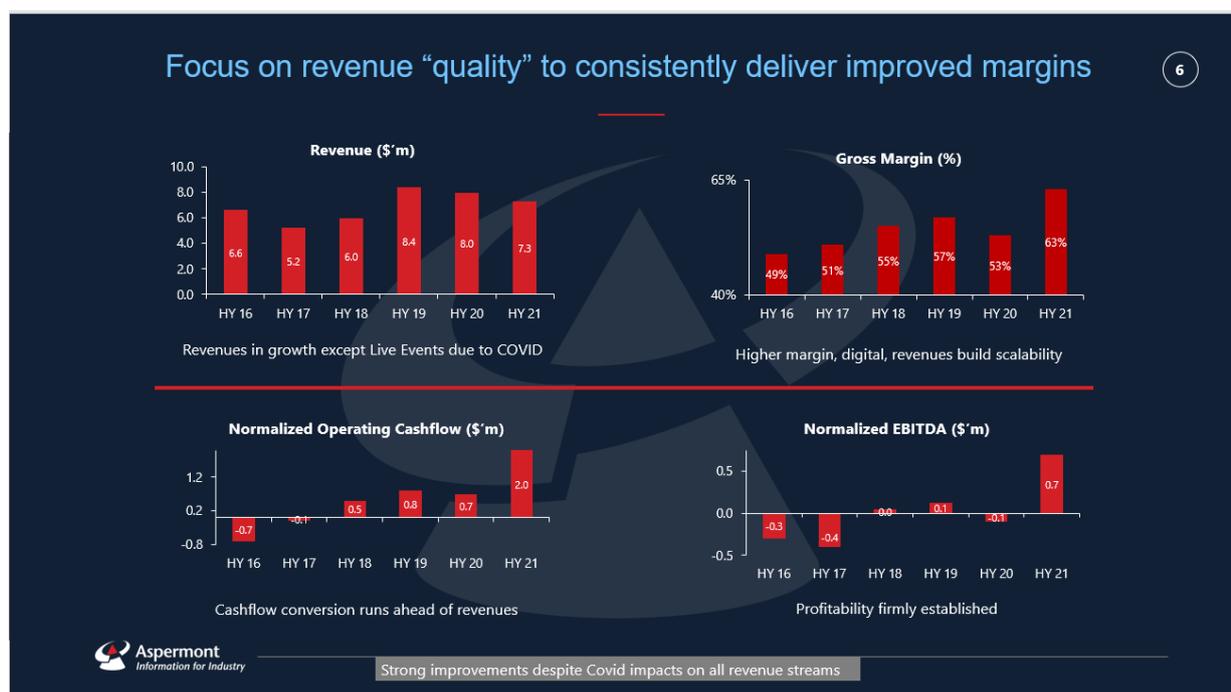
Aspermont's performance over H1 of 2021 has been excellent.

Aspermont management, facing unique market conditions, demonstrated innovation through new product launches, scalability through key business models, and execution capability in delivering our best financial result to date.

The company entered the pandemic in March 2020 as a loss maker, due to the abrupt suspension of its live events division, and had a net cash position of \$0.3m.

12 months later and despite the severe impact of COVID on all revenue lines, the business has delivered sustainable profitability with expanding margins and now has over \$7.4m+ of net cash and no debt.

We are now in our best ever financial shape and are building enhanced business momentum.



Performance Vs Guidance

Our guidance for FY21 had been for:

1. A return to overall revenue growth
2. Subscriptions to regain pre COVID growth rates
3. Continuing expansion in margins and profitability
4. Further growth in audience and in all other key XaaS metrics
5. High growth in our new data products

The directors are pleased to announce that the business remains on course to deliver against all the above items of guidance.

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Key Financial Highlights

Period Ended 31 st March	HY20	HY21	Improvement
Services	\$4.5m	\$3.1m	-31%
XaaS	\$3.4m	\$3.5m	+2%
Data	\$0.2m	\$0.7m	+217%
Total Revenue	\$8.1m	\$7.3m	-10%
Gross Margins	53%	63%	+19%
Normalised EBITDA	(\$0.1m)	\$0.7m	+955%
Normalised Cash Flow from Operating Activities	\$0.7m	\$2.0m	+192%

Refer to Appendix 1 for full reconciliation of normalized figures.

- XaaS
 - Showed modest growth on a revenue recognized basis but [as announced on 19th April](#), XaaS generated significantly more cash collection than over the same period last year.
 - over \$4m+ of cash was collected from subscriptions in H1-2021, which was 15% higher than for the same period last year and 22% higher than for H2-2020.
- Data
 - Income from B2B lead generation services showed strong growth in H1 2021 on a revenue recognized basis and is firmly on target to overdeliver on the \$1.3m forecast revenue guidance provided in our [FY20 results presentation](#)
- Services
 - Client marketing services continue to be impacted by the enforced suspension of our live events business. When COVID conditions permit there should be a very strong rebound as this division returns to normal.
- Total Revenue
 - Overall revenue declined by 10%, due primarily to the suspension of live events, some negative foreign exchange movements and to the lagged effect of revenue recognized on actual cash collections.
 - Despite a stated decline at the half year stage, the business remains on track to deliver overall topline growth for the full year, as per previous guidance.
- Gross Margins have expanded significantly as the company has focused on 'revenue quality' through the last 12 months. The strengthening financial situation has enabled a focus on higher margin and recurring revenue streams, which will continue to be our priority going forward.
- EBITDA has seen a significant improvement both on a reported and normalized basis.
- Operating cashflow has seen strong growth on a reported and normalized basis, which reflects improved revenue quality and effective cost management.

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Key Metrics Highlights

Aspermont has reported 19 consecutive quarters of high-performance growth as measured by XaaS and audience metrics.

Metrics Development over 19 Quarters	As at June 2016	As at Mar 2021	Compound Annual Growth Rate
Monthly Active Users	115k	339k	26%
Digital Users	1.1m	3.8m	30%
Number of Subscriptions ⁽¹⁾	7,158	7,553	1%
Average Revenue Per Unit (ARPU)	\$623	\$1,188	15%
Annual Contract Value (ACV)	\$4.5m	\$9.0m	16%
Renewal Rate (Volume)	73%	83%	3%
Net Retention Rate (NRR)	82%	100%	4%
Unit Economics	18:1	43:1	47%
Lifetime Years	3.7	5.8	10%
Lifetime Value (LTV)	\$16.5m	\$52.4m	28%

Notes:

(1) Aspermont does not present the number of Paid Members per subscription, but these have been growing double digit throughout the period.

Three of the above metrics prominently highlight the growing demand for the company's subscriptions products and are significant drivers for Aspermont's future growth.

1. 15% CAGR in ARPU (Average Revenue Per Unit)

- ARPU growth confirms that clients value Aspermont products and services and find it beneficial to increase the range of these products in their subscription.
- ARPU growth also demonstrates the pricing power for products and services curated to meet individual client demands.
- Increasing ARPU confirms the stability of the client base and the likelihood of client retention.

2. 100%+ NRR (Net Retention Rate)

- A net retention rate above 100% means that growth from the existing customer base more than offsets any losses from churn.
- Aspermont's current net retention rate suggests strong future organic growth
- Aspermont's current subscriptions would maintain revenue growth independently of new client subscriptions.

3. 30% CAGR in Digital Users

- The growth in the user base confirms an increasing demand for Aspermont's products and services, but it also determines the amount of data that can be collected.
- As Aspermont monetizes its Data base, the growing user base enables the company

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to identify and attract more clients and, at the same time, to increase the quality and reach of its services.

- c. Larger audiences also enable the company to better analyse user trends and needs to optimize existing product designs and to facilitate new product generation.

Over the period since 2016, Aspermont's:

- | | |
|---|------------------|
| • Unit pricing has almost doubled and exceeds \$1k per unit | \$623 to \$1,188 |
| • ACV has doubled | \$4.5m to \$9.0m |
| • Digital Users have more than trebled | 1.1m to 3.8m |
| • The LTV of subscriptions has more than trebled | \$16m to \$52m |
| • Renewal rates have risen alongside ARPU growth | 73% to 83% |
| • NRR has consistently gathered momentum | 82% to 100% |

Financial Position

Aspermont announced 12 months ago, that given the then prevailing uncertainty in market outlook and the significant revenue impacts threatened by COVID, the company would adopt a defensive cash flow strategy.

We outlined our 3 strategic responses (operational savings, government grants and a small capital raising) and our intention to drive organic business improvements. All responses were executed effectively to improve positive cashflow and we then benefited from accelerating profitability and increased operational cashflow.

As a result of all those above elements and the recent \$3m placement (to one German based institutional investor, [as announced on 3rd March](#)) Aspermont has a strong balance sheet and our net cash position is up from \$0.3m to \$7.4m over the last 12 months.

Aspermont is now profitable, is generating free cash flow and has no debt.

FY 21 Execution Priorities

In our last full year report, we announced our 12-month strategies and, for guidance we provided the measures investors needed to measure our execution and performance.



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How have we performed relative to guidance?

Manage and adapt to COVID-19

- VEE (Virtual Events Division) revenues
 - surpassed \$1m in the first 5 months since launch [as announced on 29th March](#)
- Lead generation revenues
 - 218% growth in this half year compared to the corresponding period of prior year
- Live events relaunch
 - Has not been possible to measure given continuance of COVID related global lockdowns and international travel bans.

Build High Performance Culture

- Revenue per employee
 - This declined slightly, owing to the impact of the above factors on total revenue
- Staff turnover
 - This has reduced significantly from last year to 15%
 - The number of 'regretted' leavers in the business has been reduced by 30%
- Cross-sales ratio
 - No reliable data is currently available but is in preparation to derive a benchmark for future reports

Subscriptions Penetration and Value

- Average Revenue Per Unit
 - Has continued to build at a high 14% growth year on year.
- Net Retention Rate
 - Has remained above 100% over the last 6 months.
- Annual Contract Value
 - Has grown at 12.5% year on year which is an exceptional performance given the constraints of COVID.

Monetise Data Opportunity

- Lead generation revenues
 - We report 218% growth in H1- 2021 compared to H1-2020.
- Recurring client revenue %
 - Has remained steady at 70% over the last 6 months.

Other Significant Events

During H1-2021 we created some significant new products for the company.

New Product Launches

We launched several new products designed to drive XaaS incomes (premium content – ARPU) and Data incomes (B2B lead generation – new business sales)

- [Second Research Division Launched – Mining Magazine Intelligence](#) XaaS.
- [New Virtual Events & Exhibition \(VEE\) Division Launched – Investor Outreach](#) Data.
- [Second VEE Product Launched – Future of Mining 365](#) Data.



New Advisers and a refreshed board

Aspermont refreshed its board of directors and appointed a new corporate adviser:

- Clayton Witter and Christian West both resigned from Non-Executive Director roles
- Tricia Klinger was appointed as a Non-Executive Director
- Roland Thng was appointed as a Corporate Adviser.

For full details please see [announcement of 2nd March](#)

New Listings

In addition to the ASX listing, Aspermont is now also listed on the Frankfurt Stock Exchange (FRA:00W) with the shares subsequently being quoted on several other European Exchanges.

- Frankfurt [FRA:00W](#)
- Tradedgate [TDG:00W](#)
- Hamburg [HAM:00W](#)
- Munich [MUN:00W](#)
- Stuttgart [STU: 00W](#)
- Lang & Schwarz [LUS: 00W](#)
- Berlin [BER:00W](#)

Aspermont's decision to list on the Frankfurt Stock Exchange was motivated by German investor understanding of media technology and brand values.

Daily trading volumes on the Tradedgate (TDG:00W) exchange are now the most significant for Aspermont shares on a global basis.

During the first half year – on all stock exchanges combined - Aspermont has seen:

- A 1.8 billion share turnover = 75% of the company's issued share capital.
- Share price rising from 0.6cents to a high of 4.8 cents.
- A closing share price of 3.1c = 400% price appreciation over H1-21.

The decision to list on European stock markets has greatly improved share liquidity and has delivered a meaningful value lift for shareholders over the first half.

For full details on the Frankfurt listing please see [announcement from 18th January](#)

Institutional Placement

The Aspermont listings in Germany and our new investor relations activities, have attracted the attention of new institutional investors, particularly in Europe this new interest persuaded the company to accept an offer to place 100 million new shares at 3 cents to a single German institutional investor.

For full details on the recent share placement please see [announcement from 3rd March](#)

Improved Market Conditions

Aspermont's current brands are widely respected across the global mining community. Over the last 5 years, the business had made significant positive progress – on a quarter-by-quarter

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basis – despite often adverse market conditions. Over 2021 to date, the mining sector is benefiting from significantly higher metal prices and greater investor interest which have caused respected commentators to suggest we may experience a 10-year super cycle.

S&P Metals & Mining Select Industry Index

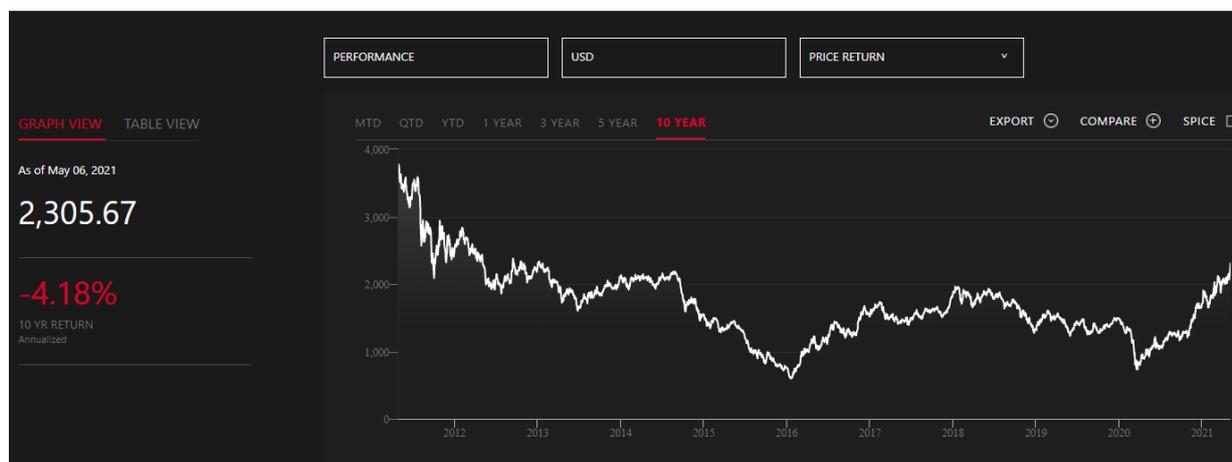
2,305.67 USD | 1.68% 1 Day

Overview

Data

Index-Linked Products

News & Research



Aspermont's business model does not rely on market cyclicality to drive high performance growth, but the company has proven over the last 5 years; that it is well leveraged to benefit from improved market conditions.

Outlook

Aspermont is a 5-year-old mediatech company with a 180-year brand heritage.

Over the last few years, we have completed a full business turnaround at every level.

Our XaaS model, with proven scalability, has delivered growth in 19 consecutive quarters and continues to deliver.

Consistent audience growth is opening new Data monetization opportunities. These are delivering early and increased revenues as our current financial report displays.

Aspermont's business model demonstrated strength and resilience in the COVID pandemic, as did our management and operating teams.

Aspermont has a strong balance sheet and can now, for the first time in 5 years fully invest in its business models to drive accelerated growth.

Market conditions are favourable, commercial momentum is with us and our value proposition is starting to be recognised.

We expect a strong full year set of results, across the board, and we look forward to updating the market on material developments.

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Appendix 1: 1. Normalised EBITDA

The reconciliation of statutory earnings to EBITDA is as follows:

Half Year Ended	31 Mar 2020 \$000	31 Mar 2021 \$000	Improvement \$000
Reported income/(loss) from continuing operations before income tax expense	(1,647)	229	+1,876
Net interest	42	56	
Depreciation and amortisation	759	530	
Other (share-based payments & provisions, foreign exchange, other income)	240	(250)	
Reported EBITDA	(609)	565	+1,174
Exceptional one-off charges	91	-	
New business establishment costs ⁽¹⁾	432	170	
Normalised EBITDA	(86)	735	+821

2. Normalised Cash Flow from Operations Reconciliation

Half Year Ended	31 Mar 2020 \$000	31 Mar 2021 \$000	Improvement \$000
Cash flows from operating activities			
Cash receipts from customers	8,871	8,199	
Cash outflows to suppliers and employees	(8,688)	(6,066)	
Interest received / (paid)	2	(36)	
Cash inflow (outflow) from Operating activities	185	2,097	+1,912
Exceptional cash outflows ⁽¹⁾	510	311	
Exceptional Other Income	-	(382)	
Normalised cash inflow/(outflow) from operating activities	695	2,026	1,232

Notes for Normalisations which are based on unaudited management accounts

⁽¹⁾ Pre-launch expenditure in relation to the establishment of new products or business lines. See 'New Product Launches' referenced earlier.



The Directors present their six-month financial report on the consolidated entity (referred to hereafter as the Group) consisting of Aspermont Limited and the entities it controlled at the end of, or during, the half year ended 31 March 2021.

Directors

The following persons were directors of Aspermont Limited during the financial half year and up to the date of this report:

Andrew L. Kent
John Stark
Alex Kent
Geoffrey Donohue
Tricia Klinger (appointed 2nd March 2021)
Christian West (resigned 2nd March 2021)
Clayton Witter (resigned 2nd March 2021)

Principal activities

The Group's principal activities during the period were to provide market specific content across the Resource sectors through a combination of print, digital media channels and face to face networking channels.

Operating results

The operating profit before tax for continuing operations was \$0.2 million (2020: loss \$1.6 million).

Dividends

No dividend has been declared for the period (2020: no dividend).

Review of operations

A review of the operations of the Group during the financial half year has been set out on pages 4 to 12 of this report.

Significant changes in the state of affairs

The significant changes in the state of affairs of the Group during the half year are outlined in the preceding review of operations.

Events subsequent to the end of the half year

No events have occurred subsequent to the end of the half year.

Likely developments and expected results of operations

The second half of the financial year is expected to be see some momentum building up in while continuing to manage the impact of COVID-19 and the resulting business impact. The Company continues to focus on its innovation hubs to deliver new products to market that suit the prevailing economic conditions.

Environmental regulations

Environmental regulations do not have any impact on the Group, and the Group is not required to report under the National Greenhouse and Energy Reporting Act 2007.

AUDITORS DECLARATION

The lead auditor's independence declaration is set out on page 15 and forms part of the directors' report for the half year ended 31 March 2021.



ROUNDING OF AMOUNTS

The parent entity has applied the relief available to it under Legislative Instrument 2016/191 and accordingly, amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Perth this 19th May 2021

Signed in accordance with a resolution of Directors.

A handwritten signature in black ink, appearing to read 'Alex Kent'.

Alex Kent
Managing Director

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Auditor's Independence Declaration

To those charged with the governance of Aspermont Limited,

As auditor for the review of Aspermont Limited for the half-year ended 31 March 2021, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens

Managing Director

19 May 2021

Perth

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Aspermont Limited
Consolidated Income Statement



For the Half Year ended 31 March 2021

	31 March 2021 \$000	31 March 2020 \$000
Continuing operations		
Revenue	7,278	8,111
Cost of sales	(2,686)	(3,784)
Gross Profit	4,592	4,327
Distribution expenses	(234)	(304)
Marketing expenses	(1,735)	(2,534)
Occupancy expenses	(92)	(202)
Corporate and administration	(2,183)	(2,348)
Finance costs	(56)	(42)
Share based payments	(209)	(176)
Other expenses	(236)	(368)
Other income	382	2
Profit / (Loss) from continuing operations before income tax expense	229	(1,645)
Income tax benefit/(expense) relating to continuing operations	99	146
Loss for the half year	328	(1,499)
Profit / (Loss) attributable to:		
Net profit / (loss) attributable to equity holders of the parent entity	328	(1,499)
	328	(1,499)

The accompanying notes form part of these consolidated financial statements.

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Aspermont Limited
Consolidated Income Statement



For the Half Year ended 31 March 2021

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	31 March 2021 Cents	31 March 2020 Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company		
Basic and diluted profit / (loss)	0.01	(0.07)
Earnings per share for profit attributable to the ordinary equity holders of the company		
Basic and diluted earnings profit / (loss)	0.01	(0.07)

Aspermont Limited
 Consolidated of Comprehensive Income Statement



For the Half Year ended 31 March 2021

	31 March 2021 \$000	31 March 2020 \$000
Net profit / (loss) after tax for the half year	328	(1,499)
Other comprehensive loss		
<i>(Items that will be reclassified to profit or loss)</i>		
Foreign currency translation differences for foreign operations	(177)	(18)
Other comprehensive loss for the half year net of tax	(177)	(18)
Total comprehensive profit / (loss) for the half year (net of tax)	151	(1,517)

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Aspermont Limited
Consolidated Statement of Financial Position



For the Half Year ended 31 March 2021

	Note	31 March 2021 \$000	30 Sep 2020 \$000
CURRENT ASSETS			
Cash and cash equivalents		7,395	3,182
Trade and other receivables	9	1,400	1,306
TOTAL CURRENT ASSETS		8,795	4,488
NON-CURRENT ASSETS			
Financial assets		94	71
Property, plant and equipment		725	980
Deferred tax assets		1,426	1,423
Intangible assets and goodwill		8,373	8,400
TOTAL NON-CURRENT ASSETS		10,618	10,874
TOTAL ASSETS		19,413	15,362
CURRENT LIABILITIES			
Trade and other payables		4,895	4,081
Income in advance		6,067	5,457
Borrowings		35	35
Lease liability	8	496	543
TOTAL CURRENT LIABILITIES		11,493	10,116
NON-CURRENT LIABILITIES			
Deferred tax liabilities		1,426	1,423
Lease liability	8	264	452
Provisions		118	118
TOTAL NON-CURRENT LIABILITIES		1,808	1,993
TOTAL LIABILITIES		13,301	12,109
NET ASSETS		6,112	3,253
EQUITY			
Issued capital	2	11,180	8,540
Reserves		(1,494)	(1,385)
Accumulated losses		(3,574)	(3,902)
TOTAL EQUITY		6,112	3,253

The accompanying notes form part of these consolidated financial statements

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Aspermont Limited
Consolidated Statement of Changes in Equity



For the Half Year ended 31 March 2021

	Issued Capital	Accumulated Losses	Other Reserves	Share Based Reserve	Currency Translation Reserve	Fixed Assets Reserve	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 October 2019	7,441	(2,981)	-	1,113	(2,661)	(278)	2,634
Loss for the period	-	(970)	-	-	-	-	(970)
Other comprehensive income							
Foreign currency translation differences for foreign operations	-	-	-	-	121	-	121
Total Comprehensive loss	-	(970)	-	-	121	-	(849)
Transactions with owners in their capacity as owners:							
Transfer of expired options	-	49	-	(49)	-	-	-
Shares issued (net of issue costs)	1,099	-	-	-	-	-	1,099
Issue of performance rights	-	-	-	369	-	-	369
Balance at 30 September 2020	8,540	(3,902)	-	1,433	(2,540)	(278)	3,253
Balance at 1 October 2020	8,540	(3,902)	-	1,433	(2,540)	(278)	3,253
Profit / (Loss) for the half year	-	328	-	-	-	-	328
Other comprehensive income							
Foreign currency translation differences for foreign operations	-	-	-	-	(177)	-	(177)
Total Comprehensive income (loss)	-	328	-	-	(177)	-	151
Transactions with owners in their capacity as owners:							
Shares issued (net of issue costs)	2,640	-	-	-	-	-	2,640
Issue of performance rights	-	-	-	68	-	-	68
Balance at 31 March 2021	11,180	(3,574)	-	1,501	(2,717)	(278)	6,112

The accompanying notes form part of these consolidated financial statements.



	31 March 2021 \$000	30 Mar 2020 \$000
Cash flows from operating activities		
Cash receipts from customers	8,199	8,871
Cash payments to suppliers and employees	(6,066)	(8,689)
Interest and other costs of finance paid	(36)	(0)
Interest received	-	2
Income tax paid	-	-
Net cash (outflow)/inflow from operating activities	2,097	184
Cash flows from investing activities		
Interest on lease liability	(20)	(31)
Payments for plant and equipment	(0)	(31)
Payment for intangible assets	(236)	(303)
Net cash outflow from investing activities	(257)	(365)
Cash flows from financing activities		
Proceeds from issue of shares	3,329	50
Share issue transaction costs	(689)	(4)
Repayment of lease liability	(254)	(242)
Net cash inflow from financing activities	2,386	(196)
Net (decrease)/increase in cash held	4,226	(376)
Cash at the beginning of the period	3,182	727
Effects of exchange rate changes on the balance of cash held in foreign currencies	(13)	11
Cash at the end of the period	7,395	362

The accompanying notes form part of these consolidated financial statements.

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1. Summary of Significant Accounting Policies

(A) Basis of Preparation

The consolidated half-year financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards AASB 134 Interim Financial Reports and the Corporations Act 2001.

The consolidated half-year financial statements do not include all the information required for annual financial statements and should be read in conjunction with the consolidated annual financial statements of the consolidated entity as at and for the period ended 30 September 2020. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

The consolidated half-year financial statements were approved by the directors on 19th May 2021.

(B) Rounding of Amounts

The Company is of a kind referred to in Legislative Instrument 2016/191 and in accordance with the Legislative Instrument, amounts in the consolidated interim financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

(C) Going concern

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realization of assets and settlement of liabilities in the normal course of business.

For the half year ended 31 March 2021 the entity recorded a profit for the period of \$0.2 million from continuing operations before income tax, a net cash inflow from operating activities of \$2.1 million and positive net working capital excluding provisions and deferred revenue of \$3.4 million.

The Directors have reviewed the Company's overall position and believe the Company will have sufficient funds to meet the Company's commitments.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

1. The Directors have forecast the group to generate positive operating cash flows in the next 12 months through both revenue retention and cost savings.
2. The Directors expect the Group to be successful in securing additional funds through debt or equity issues if the need arises.

(D) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Additional estimates and judgements applied since the last reporting period include:

Key Estimates — Share Based Payments

The Group in some instances has settled services received through issue of shares or share options. The costs of these transactions are measured by reference to the fair value at the date at which they are granted. Where options are issued, the fair value at grant date is determined using a combination of trinomial and monte carlo option pricing models which require estimated variable inputs. In particular, the expected share price volatility is estimated using the historic volatility (using the expected life of the option), adjusted for any expected changes to future volatility. Information relating to share based payments is set out in note 7. The cost is recognised together with a corresponding increase in equity over the period in which the performance conditions are fulfilled.



The Group received shareholder approval on 1 February 2018 for an Incentive Performance Rights Plan for issue to the Executive team. This Performance Rights Plan was readopted by shareholder approval on 2 March 2021. Valuation was undertaken in accordance with Accounting Standard AASB 2 ('Share Based Payments') and an independent expert was retained to determine fair value of Performance Rights which were based on market conditions. Details of the scheme are provided in note 3(b).

2. Issued Capital

	31 March 2021 #	30 Sept 2020 #	31 March 2021 \$000	30 Sept 2020 \$000
Fully paid ordinary shares	2,420,584,251	2,277,314,738	11,180	8,540
Ordinary shares				
At the beginning of the reporting half year	2,277,314,738	2,116,392,421	8,540	7,441
Shares issued during the period:				
Rights issue	11,694,217	151,674,974	-	1,062
Share issue costs	-	-	(689)	(58)
Private Placement	100,000,000	-	3,000	-
Employee share issue	30,096,160	8,307,211	317	89
Other	1,479,136	940,132	11	8
At Reporting date	2,420,584,251	2,277,314,738	11,180	8,540

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

3. Reserves

(a) Options

The establishment of the Executive Option Plan was approved by the directors in April 2000. The Executive Option Plan is designed to retain and attract skilled and experienced board members and executives and provide them with the motivation to make the Group successful. Participation in the plan is at the Board's discretion. The exercise price of options issued will be not less than the greater of the minimum value set by the ASX Listing Rules and the weighted average closing sale price of the Company's shares on the ASX over the five days immediately preceding the day of

the grant, plus a premium determined by the directors. When shares are issued pursuant to the exercise of options, the shares will rank equally with all other ordinary shares of the Company.

No options were granted under the plan during the period.

(b) Employee Performance Rights

The Company issued 3,980,104 Performance Rights during the reporting period to employees pursuant to the Aspermont Performance Rights Plan ("The Plan").

During the period, 46,526,161 Performance Rights vested, 11,694,216 Performance Rights were exercised and 2,074,594 Performance Rights expired.

At 31 March 2021, the Company had the following unlisted Performance Rights in issue:



3. Reserves (continued)

	Issue Year	Rights Outstanding at Start of the Year (no.)	Share Rights Granted in Year (no.)	Award Date	Fair Value per Right at award date \$	Vesting Date	Exercised (no.)	Forfeited (no.)	Rights Outstanding at End of the Year (no.)
Managing Director	FY 18	13,500,000 ⁽¹⁾	-	01-Feb-18	\$0.009000	01-Feb-2021	-	-	13,500,000
	FY 18	13,500,000 ⁽²⁾	-	01-Feb-18	\$0.007096	01-Feb-2021	-	1,350,000	12,150,000
	FY 19	10,500,000 ⁽¹⁾	-	24-May-19	\$0.011000	25-May-2022	-	-	10,500,000
	FY 19	10,500,000 ⁽²⁾	-	24-May-19	\$0.009308	25-May-2022	-	-	10,500,000
	FY 20	10,500,000 ⁽¹⁾	-	05-Feb-20	\$0.009000	05-Feb-2023	-	-	10,500,000
	FY 20	10,500,000 ⁽²⁾	-	05-Feb-20	\$0.007800	05-Feb-2023	-	-	10,500,000
KMPs	FY 18	18,000,000 ⁽³⁾	-	01-Feb-18	\$0.010000	01-Feb-2021	9,000,000	-	9,000,000
	FY 19	21,000,000 ⁽³⁾	-	24-May-19	\$0.011000	25-May-2022	-	-	21,000,000
	FY 20	21,000,000 ⁽³⁾	-	05-Feb-20	\$0.009000	05-Feb-2023	-	-	21,000,000
Employees ⁽⁴⁾	FY 19	1,750,000	-	30-Nov-18	\$0.010300	30-Nov 2018/19/ 20	250,000	-	1,500,000
	FY 20	3,622,970	-	15-Nov-19	\$0.010351	15-Nov 2019/20/21	1,449,188	724,594	1,449,188
	FY 21	-	3,980,104	21-Jan-21	\$0.010050	21-Jan 2021/22/23	995,028	-	2,985,076
Total Rights in Issue		134,372,970	3,980,104				11,694,216	2,074,594	124,584,264

⁽⁴⁾ The grant of employee performance rights are subject to certain milestone conditions: A three year period, 33.3% of the total performance rights will vest per annum with the first tranche eligible for vest upon issue of the Performance Rights. Any Rights not exercised on the measurement date lapse.

The Plan was approved by the shareholders at the February 2018 annual general meeting and then again at the March 2021 annual general meeting. The scheme is designed to provide long-term incentives to the executive management team (including executive Directors) to deliver long-term shareholder returns. Under the Plan, participants are granted Performance Rights to receive ordinary shares which only vest if certain performance conditions are met. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits. The Board can amend vesting conditions on issued Performance Rights. Any change to vesting conditions which affects a related party requires shareholder approval.

Performance Rights for the Managing Director for all plan years have the following performance conditions:

⁽¹⁾ Fifty percent of grant vests if the Company's returns on equity over a three-year period are within 50-75% range of all companies in the S&P ASX 300.

⁽²⁾ Fifty percent of grant vests if the Company's total shareholder return (TSR) over a three-year period is within 50-75% range of all companies in the S&P ASX 300

⁽³⁾ Performance Rights for KMPs have the following amended performance conditions: Time based and will be eligible to vest from the third anniversary from the grant dates.

Once vested, the Performance Rights remain exercisable for a period of four years. Performance Rights Shares are granted under the Plan for no consideration and carry no voting rights during the vesting period. The Performance Rights have an implied service condition meaning the Directors and Employees must remain employed for the entire period.

Performance Rights issued in FY21 were valued for a total of \$40,000 being expensed over the vesting period, with \$3,333 charged to the Consolidated Income Statement for this reporting period. This is reflected in the share-based payment expense at 31 March 2021.



3. Reserves (continued)

Fair values were determined as follows:

The fair value at grant date for Performance Rights with no market conditions were based on share price at grant date.

The Employee Performance Rights were valued based on prior 12 month weighted average market price on the date of grant.

Where vesting conditions have been amended the rights are revalued immediately after the change. Where this results in an increase in the fair value the additional amount is recognized over the remaining vesting period.

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4. Segment information

The economic entity primarily operates in the media publishing industry as well as in events, within Australia and in the United Kingdom.

Segment Reporting:

	31 March 2021 \$000	31 March 2020 \$000
Revenue		
XaaS	3,480	3,428
Services	3,086	4,459
Data	713	224
Total segment revenue	7,278	8,111
Revenue by Geography		
Australia/ Asia	4,033	4,210
Europe	1,591	1,676
America	1,624	2,208
Other	30	17
Total revenue	7,278	8,111
Segment result	2,662	2,846
<i>Unallocated items:</i>		
Corporate overheads and administration	(2,020)	(3,516)
Depreciation & Amortisation	(530)	(759)
Other income	382	2
Share based payments	(209)	(176)
Finance costs	(56)	(42)
Profit for period before income tax	229	(1,645)
	31 March 2021 \$000	31 March 2020 \$000
Segment assets	10,592	12,252
<i>Unallocated assets:</i>		
Cash	7,395	362
Deferred tax asset	1,426	1,665
Total assets	19,413	14,279
Liabilities	11,840	11,255
<i>Unallocated liabilities:</i>		
Provision for income tax		
Deferred tax liabilities	1,426	1,665
Borrowings	35	31
Total liabilities	13,301	12,951



4. Segment information (continued)

Description of segments:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Chief Executive Officer who makes strategic decisions.

The segments derive revenue from the following products and services:

Subscription, advertising, content marketing and sponsorship revenues from print and online publications as well as from running events and data services including virtual events and lead generation across a number of trade sectors including the mining, agriculture, energy and resources sector.

Segment revenue and expenses:

Segment revenue and expenses are accounted for separately and are directly attributable to the segments.

5. Subsequent Events

No further have occurred subsequent to the end of the half year.

6. Contingent Liabilities

We are not aware of any contingent liabilities as at 31 March 2021 or to the date of this report.

7. Related Party

In this reporting period, share based payments were made for various services to related parties:

	2021 \$	2020 \$
Shares issued in Lieu of Directors fees ¹	-	50,000
Performance Rights Issued to Managing Director and KMP ²	-	168,787
Shares issued in Lieu of Wages to Managing Director and KMP ³	73,873	-
	73,873	218,787

- 1 No shares have been issued in lieu of accrued directors fees for the period from 1 October 2020 to 31 March 2021 (2020: \$50,000). The 2020 comparable numbers were based on shares issued to Mr Geoff Donohue
- 2 No Performance Rights were issued to the Managing Director or KMP under the Employee Rights Plan in the period from 1 October 2020 to 31 March 2021 (2020: 168,787).
- 3 Issued per the Employee Salary Sacrifice Share Plan, approved at EGM 22 September 2020. (2020: nil)

(a) Other transactions with key management personnel and director related entities

Transactions between key management personnel are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The Group leases its principal office facility from Ileveter Pty Ltd, a company associated with a director, Mr A.L Kent. The rent paid was at market rates at the time of lease inception. The lease agreement has a term of five years expiring 30 October 2022.

	2021 \$000	2020 \$000
Rental expense for principal offices	244	244



8. Lease commitments

(a) Operating Lease

Operating lease commitments

Operating leases contracted for but not capitalised in the financial statements:

Not later than 12 months

Between 12 months and 5 years

AASB 16 Adjustments

Operating leases contracted for capitalised in the financial statements:

Not later than 12 months

Between 12 months and 5 years

	2021 \$000	2020 \$000
Operating leases contracted for but not capitalised in the financial statements:		
Not later than 12 months	76	82
Between 12 months and 5 years	-	-
	76	82
AASB 16 Adjustments		
Operating leases contracted for capitalised in the financial statements:		
Not later than 12 months	497	541
Between 12 months and 5 years	264	669
	761	1,210

(b) Finance Lease

The Group leases an office building for its office space. The Group has reclassified the lease as a finance lease. The lease typically has a term of five years and adjusted for annual change in lease payment of up to 5% based on changes in price indices.

9. Trade and other receivables

Current

Trade receivables

Allowance for expected credit loss

Other receivables

Related party receivables

Total current trade and other receivables

	2021 \$000	2020 \$000
Trade receivables	1,076	1,004
Allowance for expected credit loss	(151)	(112)
	925	892
Other receivables	444	398
Related party receivables	31	16
Total current trade and other receivables	1,400	1,306

The consolidated entity has recognized a loss of \$54,051 (2020: loss of \$17,828) in profit or loss in respect of the expected credit losses for the period ended 31 March 2021.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated 31 March 2021

Not overdue

0-30 days overdue

30-60 days overdue

60+ days overdue

	Expected ECL %	Carrying amount \$	Allowance for ECL \$
Not overdue	9.60 %	756,678	72,666
0-30 days overdue	14.61 %	53,746	7,851
30-60 days overdue	26.88 %	6,563	1,765
60+ days overdue	36.58 %	186,427	68,203
		1,003,415	150,485



Trade and other receivables (continued)

Consolidated 30 September 2020

	Expected ECL %	Carrying amount \$	Allowance for ECL \$
Not overdue	4.50%	1,322,145	59,554
0-30 days overdue	5.55%	33,444	1,855
30-60 days overdue	20.54%	14,169	2,910
60+ days overdue	24.49%	194,577	47,656
		1,564,335	111,975

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In the directors' opinion:

1. the financial statements and notes set out on pages 16 to 29 are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the consolidated entity's financial position as at 31 March 2021 and of its performance for the financial half year ended on that date; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to be 'A. Kent'.

A. Kent
Director

Perth
19th May 2021

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Independent Auditor's Review Report

To the members of Aspermont Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Aspermont Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated condensed statement of financial position as at 31 March 2021, the consolidated condensed statement of financial performance, consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 accompanying half-year financial report of Aspermont Limited does not comply with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Aspermont Limited 's financial position as at 31 March 2021 and of its financial performance for the half-year then ended; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the *Corporations Act 2001* and the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the Directors for the 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 the 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 for the Review of the Financial Report

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether 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 March 2021, and of its financial performance for the half-year ended on that date, and complying with Accounting Standards 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens

Managing Director

19 May 2021

Perth

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