

ASX Announcement

ASX: AND

13 August 2024

Ansarada results for the financial year 30 June 2024 and Independent Expert's Confirmation

On 13 August 2024, Ansarada Group Limited (ASX:AND) ('Ansarada' or 'Company') released its unaudited financial statements for the financial year ended 30 June 2024 ('FY24 Financial Results') to ASX in accordance with the requirements of the ASX Listing Rules.

The Company refers to the proposed acquisition by DS Answer Pty Ltd ('Datasite')¹, an entity owned by funds managed by CapVest, of 100% of the shares on issue in Ansarada by way of a scheme of arrangement ('Scheme') and the proposed sale of Ansarada's ESG, GRC and Board products to an entity owned and controlled by Mr Samuel Riley (Ansarada's Chief Executive Officer and Executive Director) (the 'Carve-Out Transaction').

Grant Thornton Corporate Finance Pty Ltd (**Independent Expert**) has considered the FY24 Financial Results and has confirmed to Ansarada that there is no change to its previously stated conclusion that:

- the Scheme is fair and reasonable and hence in the best interests of Ansarada Shareholders, in the absence of a Superior Proposal; and that
- the Carve-Out transaction is not fair but reasonable to the Non-Associated Shareholders; and
- the Transaction overall is in the best interests of Ansarada Shareholders, in the absence of a Superior Proposal.

The Independent Expert's conclusions should be read in context with the Explanatory Booklet, including the full Independent Expert's Report set out in Annexure 1 to the Explanatory Booklet.

Ansarada Shareholders are also encouraged to read the FY24 Financial Results before deciding how to vote on the Scheme.

Ansarada Directors' recommendation

Ansarada's Independent Directors, Mr Peter James, Ms Nancy Hobhouse, Mr David Pullini and Mr Stuart Clout, continue to unanimously recommend that Ansarada shareholders:²

- vote in favour of the Scheme, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the Ansarada Shareholders; and
- vote in favour of the Carve-Out Transaction, subject to the Independent Expert continuing to conclude that the Carve-Out Transaction is not fair but reasonable to Ansarada Shareholders and that the Transaction overall is in the best interests of Ansarada Shareholders.

Subject to the same qualifications, each Ansarada Independent Director intends to vote in favour of the Scheme and the Carve-Out Transaction, for all Ansarada Shares held or controlled by them.

Further information

If you require further information or have questions in relation to the Scheme, the Carve-Out Transaction or the Explanatory Booklet, please visit the website at <https://boardroomlimited.com.au/agm/andgmscheme24> or contact the Ansarada Shareholder Information Line on 1300 068 177 (within Australia) or +61 2 8023 5416 (outside Australia), Monday to Friday between 9:00am and 5:00pm (Sydney time) (excluding public holidays).

¹ Datasite has entered into the Scheme Implementation Deed via DS Answer Pty Ltd, an entity that is wholly controlled by Datasite.

² You should note when considering this recommendation the interests of each Ansarada Independent Director in securities in Ansarada, including Ansarada Options, as set out in Sections 10.18 and 12.1 of the Explanatory Booklet.



Unless otherwise indicated, capitalised terms have the meaning given to them in the Explanatory Booklet dated 12 April 2024.

This announcement was authorised for release by the Board of Ansarada Group Limited.

-ENDS-

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About Ansarada (ASX:AND)

Ansarada is a SaaS (Software-as-a-Service) Platform with products used by the world's top companies, advisors and governments to govern their most critical information and processes in Deals and Transaction Management, Board Management, Governance, Risk and Compliance and Infrastructure procurement. Ansarada enables organisations across the globe to be run more efficiently, with reduced risk and an increased ability to make fast confident decisions.

Ansarada is purpose-driven with a mission to help organisations be confident in every critical decision throughout their lifecycle so they can fully realise their potential.

For more information, please visit www.ansarada.com/investor-relations

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Appendix 4E

Ansarada Group Limited
Preliminary Final Report for the year ended 30 June 2024

Results for announcement to the market

Ansarada Group Limited (Ansarada) and its controlled entities (the Ansarada Group or Group) results for announcement to the market are detailed below.

Results for announcement to the market	30 June 2024 \$'000	30 June 2023 \$'000	Up/(down)	Movement %
Net loss after tax from operations	(1,158)	(5,046)	3,888	-77%
Total net loss after tax attributable to members of the Group	(1,158)	(5,046)	3,888	-77%
Revenue from operations	56,689	51,769	4,920	10%
Earnings per share (cents)	(0.01)	(0.06)	0.05	-83%

Other Information

No dividends have been declared for the financial period ended 30 June 2024.

	30 June 2024 \$'000	30 June 2023 \$'000
Net Tangible Assets		
Net Tangible assets per security (cents)	0.15	0.09

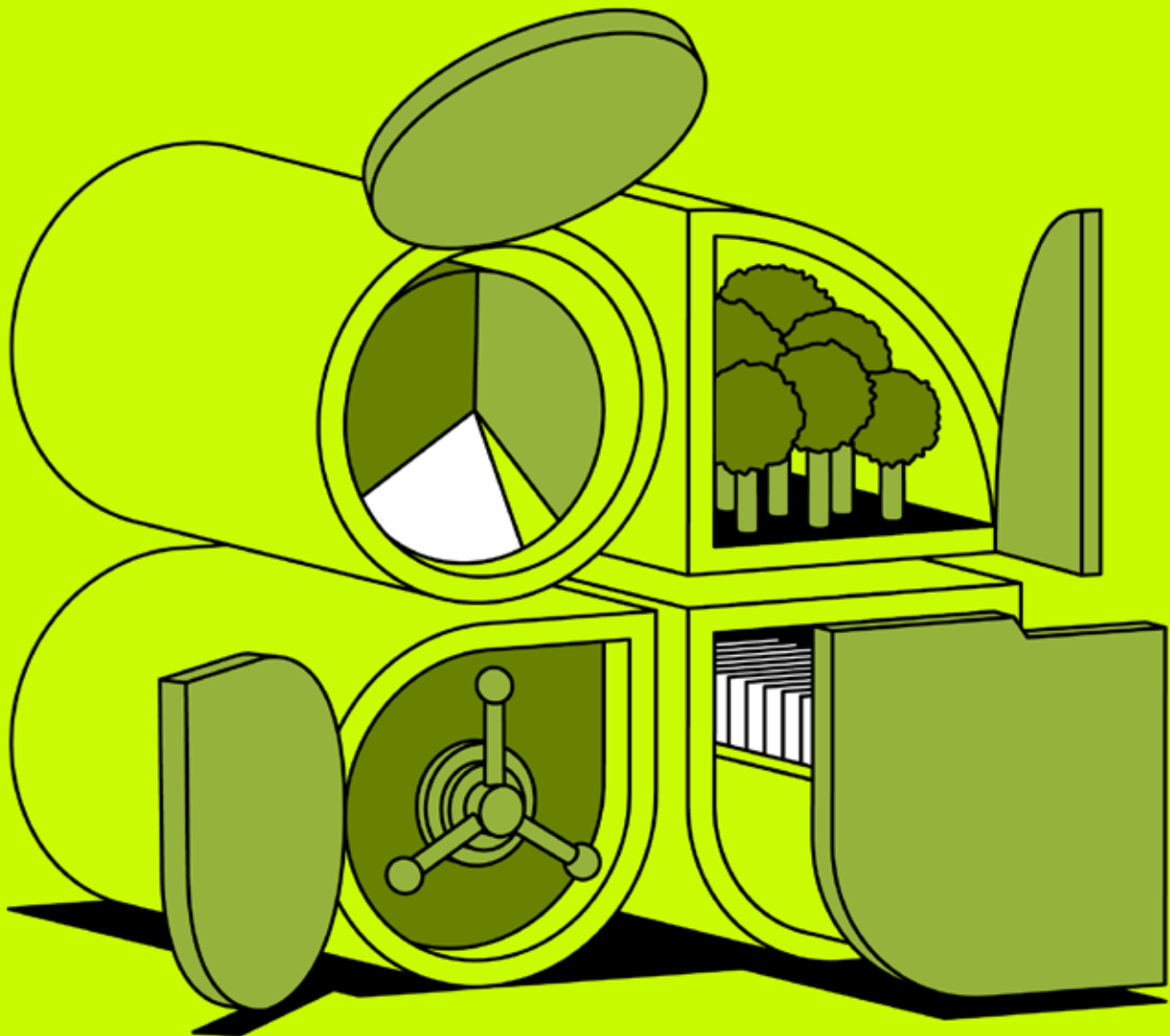
Explanation of results

The Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and has been derived from the unaudited Annual Financial Report.

The Annual Financial Report is in the process of being audited. The Report should also be read in conjunction with any public announcement made by Ansarada during the year in accordance with continuous disclosure requirements arising under the Corporation Act 2001 and ASX Listing Rules.

Preliminary Final Report 30 June 2024 Financial Results

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1 Overview

1.1 Operating and Financial Review

3

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2 Financials

2.1 Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
2.2 Consolidated Statement of Financial Position	7
2.3 Consolidated Statement of Changes in Equity	8
2.4 Consolidated Statement of Cash Flows	9
2.5 Notes to the Preliminary Final Report	10



1.1 Operating and Financial Review

	30 June 2024 \$'000	30 June 2023 \$'000	Change YOY %
Revenue	56,109	51,228	10%
Other income	580	541	7%
Total revenue and other income	56,689	51,769	10%
Cost of revenue	(2,113)	(2,311)	-9%
Gross profit	54,576	49,458	10%
Gross margin percentage	96%	96%	
Product design and development ¹	(10,846)	(11,494)	-6%
Sales and Marketing ²	(23,583)	(19,766)	19%
General and Administration ²	(12,484)	(11,907)	5%
Total operating expenses before depreciation and amortisation, and impairment	(46,913)	(43,167)	9%
Percentage of operating revenue	83%	83%	
Total operating profit before depreciation and amortisation, and impairment	7,663	6,291	22%
Impairment	(1,476)	(369)	300%
Depreciation and amortisation ³	(8,833)	(10,351)	-15%
Total operating expenses	(57,222)	(53,887)	6%
Total operating loss	(2,646)	(4,429)	-40%
Finance income	591	220	169%
Finance expense	(3,231)	(598)	440%
Net finance expense	(2,640)	(378)	598%
Loss before income tax	(5,286)	(4,807)	10%
Income tax benefit/(expense)	4,128	(239)	-1,827%
Loss for the period	(1,158)	(5,046)	-77%
	30 June 2024 \$'000	30 June 2023 \$'000	Change YOY %
Key management non-GAAP financial measures			
Adjusted EBITDA ⁴	11,080	8,357	33%
Adjusted EBITDA		Cents	Change YoY%
Earnings per share (EPS) attributable to owners of Ansarada Group Limited			
Basic earnings per share (cents)	(0.01)	(0.06)	-83%
Diluted earnings per share (cents)	(0.01)	(0.06)	-83%

¹ Excludes depreciation, amortisation and impairment which are included as their own line items in management's adjusted version of results. ² Excludes depreciation which is included as its own line item in management's adjusted versions of results. ³ Excludes amortisation on contract acquisition assets which is included in Cost of Revenue. ⁴ Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation ('EBITDA'), excluding non-cash share-based expense, non-cash impairments, business combination fees, redundancies expenses and other abnormal one-time costs.



Revenue

Our revenue model is structured with two core components: subscription-based and transaction-based revenue streams. This approach has been instrumental in ensuring consistent performance and generating value for our stakeholders over the long term.

Subscription revenue comprises recurring annual, 6-month, 3-month and monthly fees from customers who subscribe to a product on Ansarada's cloud-based SaaS platform. These fees can either be invoiced upfront or over the subscription period, accounting for deferred revenues.

Annual Recurring Revenue (ARR) refers to revenue, normalised on an annual basis, that Ansarada expects to receive from its Enterprise Subscribers for providing them with Ansarada's products or services. Enterprise Subscribers are a subset of our total subscribers and are defined as multi-product or multiple use under a single subscription including Governance, Risk & Compliance, some Procure and Deals contracts and Board products. Where the use case is Deals, enterprise would include a single agreement that includes more than five associated deal rooms.

Transactional revenue fees represent the amount billed to the customers based on the specific level of virtual data room usage (e.g. amount of data uploaded or pages occupied). Consideration from usage fees is recognised as revenue on a straight-line basis in the Statement of Profit or Loss and Other Comprehensive Income over the estimated life of a deal room. Other income consists of archive fee income, training or installation fees and other miscellaneous items.

Year ended	30 June 2024 \$'000	30 June 2023 \$'000	% Change
Platform Subscription revenue	48,116	43,361	11%
Transactional revenue	7,993	7,867	2%
Other income	580	541	7%
Total revenue and other income	56,689	51,769	10%
Platform Subscription revenue as a % of total pro forma revenue	85%	84%	1%
Transaction and other revenue as a % of total pro forma revenue	15%	16%	-1%

Revenue for the year ended 30 June 2024 was \$56.7 million compared to \$51.8 million for the year ended 30 June 2023 an increase of 10%. This increase was primarily driven by a 22% increase in ARR and a 17% increase in average revenue per account (average revenue per account represents the average monthly revenue generated from customers on subscription-based contracts excluding Procure subscriptions).

ARR for the year ended 30 June 2024, amounted to \$14.7 million, marking a 22% increase from the previous year⁵. This growth was driven by a 22% increase in ARR subscribers⁶ and a net dollar retention rate of 103%. ARR is considered as a higher-quality revenue stream due to its representation of the anticipated annual revenue originating from the company's subscription-based services. This metric provides insights into the stability and predictability of the company's income, reflecting the sustained value derived from ongoing customer subscriptions. The growth in ARR was observed across all core product lines, indicating the ability to retain high-quality customers and cultivate recurring revenue streams in new, less economically sensitive markets. This increase in ARR is a direct outcome of disciplined strategy execution, focused on scaling the business and fostering sustainable growth.

Deferred revenue

As at:	30 June 2024 \$'000	30 June 2023 \$'000	% Change
Deferred revenue ⁷	23,070	17,054	35%

Ansarada's subscription contracts are largely paid upfront, with revenue recognised over the remaining life of the subscription. Deferred revenue represents the contracted revenue to be recognised in coming months and years. Deferred revenue has increased by \$6.0 million to \$23.1 million, an increase of 35% compared to 30 June 2023. The increase in deferred revenue will drive revenue growth and contribute to increased profitability. As Ansarada provides services over the subscription period, recognising this deferred revenue over time will positively impact the company's financials. The increase also reflects the Company's strategy to target enterprise and infrastructure delivery/procure which typically have longer contract periods and value. Of the \$23.1 million deferred revenue, \$20.5 million will be recognised in the next 12 months and \$2.6 million will be recognised thereafter.

⁵Where we have assessed that an existing customer has moved from being classified as transactional to enterprise, the prior year comparative figure is restated to aid comparability. In the current year, this change predominantly relates to customers on master service agreements that we have assessed meet the definition of enterprise and therefore ARR. ⁶ARR subscribers refers to the subscribers with an enterprise contract that generate annual recurring revenue. ⁷Deferred revenue consists of Platform Subscriptions, Transactional Usage and Base Fees which are expected to be recognised on a straight-line basis over the remaining life of the contract.

Earnings before interest, tax, depreciation, and amortisation (EBITDA)

Year ended	30 June 2024 \$'000	30 June 2023 \$'000	% Change
Loss for the period	(1,158)	(5,046)	-77%
Add back: tax (benefit)/expense	(4,128)	239	-1,827%
Statutory loss before income tax expense	(5,286)	(4,807)	10%
Add back: net finance expense	2,640	378	598%
Add back: depreciation and amortisation expense	7,386	9,226	-20%
Add back: non-cash impairment intangible assets	1,476	369	300%
Add back: depreciation right of use asset	1,447	1,125	29%
EBITDA	7,663	6,291	22%
EBITDA margin	14%	12%	2%

EBITDA for the year ended 30 June 2024 was \$7.7 million, which represents an increase of 22% or \$1.4 million compared to the year ended 30 June 2023.

EBITDA as a percentage of revenue for the year ended 30 June 2024 was 14% compared to 12% for the year to 30 June 2023, an increase of 2%. The improvement in FY24 EBITDA was primarily driven by an increase in revenue of \$4.9 million, or 10% from the comparative period. Operational costs as a percentage of revenue remained flat year over year due to improved operational efficiencies, cost management and continued growth in recurring revenue. Ansarada maintained disciplined control over capital allocation and adjusted to macroeconomic conditions whilst continuing to invest across product, design and technology to drive future growth.

Adjusted EBITDA

Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation ("EBITDA"), excluding non-cash share-based expense, transaction related fees, redundancies expenses and other abnormal one-time costs. Underlying information, including this reconciliation to net profit after income tax expense, has been provided in order to meet the demands from the users of the financial reports for information to better understand aspects of the Company's performance.

A reconciliation of adjusted earnings before interest, tax, depreciation and amortisation ("Adjusted EBITDA") to statutory profit after tax for the year is as follows:

Year ended	30 June 2024 \$'000	30 June 2023 \$'000	% Change
Loss for the period	(1,158)	(5,046)	-77%
Add back: tax (benefit)/expense	(4,128)	239	-1,827%
Statutory loss before income tax expense	(5,286)	(4,807)	10%
Add back: net finance expense	2,640	378	598%
Add back: depreciation and amortisation expense	7,386	9,226	-20%
Add back: non-cash impairment intangible assets	1,476	369	300%
Add back: depreciation right of use asset	1,447	1,125	29%
Add back: non-cash share-based expense	3,218	1,667	93%
Add back: restructure payments	65	178	-63%
Add back: one-off consulting costs	134	221	-39%
Adjusted EBITDA	11,080	8,357	33%
Adjusted EBITDA margin	20%	16%	4%

Adjusted EBITDA for the year ended 30 June 2024 was \$11.1 million compared to \$8.4 million for the year to 30 June 2023, an increase of 33%. Adjusted EBITDA as a percentage of revenue for the year ended 30 June 2024 was 20% compared to 16% for the year to 30 June 2023, an increase of 4%.

Base EBITDA increased by \$1.4 million in FY24 as described above. The remaining increase in adjusted EBITDA of \$3.4 million was driven by one-off net consulting costs of \$0.1 million, non-cash share-based expense of \$3.2 million as Ansarada continues to incentivise key management with long-term strategic targets and restructure payments of \$0.1 million to ensure an ongoing sustainable cost base.

2.1 Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024 (unaudited)

	Notes	30 June 2024 \$'000	30 June 2023 \$'000
Revenue	3	56,109	51,228
Other income	3	580	541
Total revenue and other income		56,689	51,769
Cost of revenue		(2,113)	(2,311)
Gross profit		54,576	49,458
Product design and development	5	(19,652)	(21,138)
Sales and marketing	5	(24,661)	(20,507)
General and administration	5	(12,909)	(12,242)
Total operating expenses		(57,222)	(53,887)
Operating loss		(2,646)	(4,429)
Finance income		591	220
Finance expense		(3,231)	(598)
Net finance expense		(2,640)	(378)
Loss before income tax		(5,286)	(4,807)
Income tax benefit/(expense)	7	4,128	(239)
Loss for the year		(1,158)	(5,046)
Other comprehensive income			
Items that may subsequently be re-classified to Profit or Loss, net of tax			
Foreign currency translation differences for foreign operations		151	240
Total comprehensive loss for the year		(1,007)	(4,806)
		Cents	Cents
Earnings per share (EPS) attributable to owners of Ansarada Group Limited			
Basic earnings per share (cents)	6	(0.01)	(0.06)
Diluted earnings per share (cents)	6	(0.01)	(0.06)

The above Consolidated Statement of Profit or Loss and other Comprehensive Income is to be read in conjunction with the accompanying notes.

2.2 Consolidated Statement of Financial Position

As at 30 June 2024 (unaudited)

	Notes	30 June 2024 \$'000	30 June 2023 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		30,510	21,593
Trade and other receivables	8	8,747	6,859
Other current assets		3,071	3,008
Total current assets		42,328	31,460
Non-current assets			
Intangible assets	9	34,486	37,932
Property, plant and equipment		492	815
Right of use asset	10	3,974	5,164
Deferred tax asset	7	7,887	3,675
Total non-current assets		46,839	47,586
Total assets		89,167	79,046
LIABILITIES			
Current liabilities			
Trade and other payables	11	(10,894)	(7,499)
Lease liabilities	12	(1,941)	(1,746)
Employee benefits		(1,816)	(1,776)
Current tax liability		(84)	(245)
Deferred revenue	3	(20,457)	(16,240)
Total current liabilities		(35,192)	(27,506)
Non-current liabilities			
Lease liabilities	12	(2,852)	(4,324)
Employee benefits		(236)	(145)
Deferred revenue	3	(2,613)	(814)
Make good provisions		(296)	(296)
Total non-current liabilities		(5,997)	(5,579)
Total liabilities		(41,189)	(33,085)
Net assets		47,978	45,961
EQUITY			
Contributed Equity		95,921	95,916
Retained losses		(54,320)	(53,162)
Reserves		6,377	3,207
Total equity		47,978	45,961

The above Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

2.3 Consolidated Statement of Changes in Equity

For the year ended 30 June 2024 (unaudited)

	Ordinary shares \$'000	Treasury shares \$'000	Share-based payment reserve \$'000	Foreign currency translation reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2023	95,916	(213)	3,212	208	(53,162)	45,961
Comprehensive income for the period:						
Loss for the period	-	-	-	-	(1,158)	(1,158)
Foreign currency translation differences for foreign operations net of tax	-	-	-	151	-	151
Total comprehensive loss for the period	-	-	-	151	(1,158)	(1,007)
Transactions with owners recorded directly in equity						
Exercising of employee share options	5	-	(5)	-	-	-
Share-based payment expense	-	-	3,218	-	-	3,218
Treasury shares acquired	-	(194)	-	-	-	(194)
Treasury shares reissued to employees	-	128	(128)	-	-	-
Balance at 30 June 2024	95,921	(279)	6,297	359	(54,320)	47,978
Balance at 1 July 2022	95,916	(94)	1,718	(32)	(48,116)	49,392
Comprehensive income for the period:						
Loss for the period	-	-	-	-	(5,046)	(5,046)
Foreign currency translation differences for foreign operations net of tax	-	-	-	240	-	240
Total comprehensive loss for the period	-	-	-	240	(5,046)	(4,806)
Transactions with owners recorded directly in equity						
Share-based payment expense	-	-	1,668	-	-	1,668
Treasury shares acquired	-	(293)	-	-	-	(293)
Treasury shares reissued to employees	-	174	(174)	-	-	-
Balance at 30 June 2023	95,916	(213)	3,212	208	(53,162)	45,961

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

2.4 Consolidated Statement of Cash Flows

For the year ended 30 June 2024 (unaudited)

	Notes	30 June 2024 \$'000	30 June 2023 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		62,704	52,423
Payments to suppliers and employees (inclusive of GST)		(45,844)	(46,691)
Interest received		591	220
Income tax paid		(102)	(66)
Net cash inflow from operating activities		17,349	5,886
Cash flows from investing activities			
Payments for property, plant and equipment		(106)	(139)
Proceeds from sale of property, plant and equipment		-	8
Capitalised contracts acquisition costs	9	(1,656)	(1,175)
Capitalised development costs	9	(4,668)	(4,366)
Net cash outflow from investing activities		(6,430)	(5,672)
Cash flows from financing activities			
Payments for treasury shares		(194)	(293)
Repayments of lease liabilities		(1,788)	(1,409)
Net cash outflow from financing activities		(1,982)	(1,702)
Net (decrease)/increase in cash and cash equivalents		8,937	(1,488)
Cash and cash equivalents at the beginning of the financial period		21,593	22,438
Effect of exchange differences on cash balances		(20)	643
Cash and cash equivalents at end of year		30,510	21,593

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.



2.5 Notes to the Preliminary Final Report

Contents

01. Reporting entity	11
02. Basis of preparation	11
03. Revenue	12
04. Segment information	14
05. Expenses	15
06. Earnings per share (EPS)	17
07. Current and deferred income tax	18
08. Trade and other receivables	21
09. Intangible assets	22
10. Right-of-use assets	25
11. Trade and other payables	25
12. Lease liabilities	26
13. Contingent assets and contingent liabilities	27
14. Financial instruments – Fair values and risk management	27
15. Share-based payments	28
16. Subsequent events	31

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Notes to the Preliminary Final Report (continued)

01. Reporting entity

Ansarada Group Limited (the “Company”) is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the ASX.

The Company’s registered office is Level 2, 80 George Street, The Rocks NSW 2000. The Preliminary Final Report comprise the Company and its controlled entities (collectively the “Group” or “Ansarada” and individually “Group companies”).

The Group is a for-profit entity, and its primary business is the provision of a business to business (‘B2B’) software as a service (‘SaaS’) platform for business readiness and deal execution.

All amounts in the Preliminary Final Report have been rounded off in accordance with ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 to the nearest one thousand dollars unless otherwise stated.

The Preliminary Final Report for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 13 August 2024.

02. Basis of preparation

The Preliminary Final Report (the Report) has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board and the Corporation Act 2001. The report also complies with International Financial Reporting Standards and Interpretations (‘IFRICs’) adopted by the International Accounting Standards Board.

The Report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

The Annual Financial Report is in the process of being audited. The Report should also be read in conjunction with any public announcement made by Ansarada during the year in accordance with continuous disclosure requirements arising under the Corporation Act 2001 and ASX Listing Rules.

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03. Revenue

Accounting policy

Revenue recognition

Significant accounting policy

Revenue is recognised in a manner that depicts the transfer of access to cloud-based SaaS platform and information governance solutions, through secure document management, workflow and collaboration tools for end-to-end management of material outcomes for businesses throughout their lifecycle. It provides a single interactive system for managing business events and milestones such as raising capital, M&A, post-acquisition integration, audits, asset portfolio management, tenders, governance, risk, board and compliance to customers over time and in some cases at a point in time in a way that reflects the consideration for which the provider of the goods or services expects to be entitled. This involves following a five-step model of revenue recognition:

- Identifying the contract with a customer
- Identifying performance obligations under the contract
- Determining the transaction price
- Allocating the transaction price to performance obligations under the contract
- Recognise revenue when it satisfies its performance obligations

The key revenue streams and the recognition principles applied by the Group are as follows:

Platform subscription fees

Ansarada's key source of revenue is platform subscription fees, which is recurring annual, semi-annual, quarterly and monthly fees generated from customers who subscribe to its cloud-based SaaS platform. These fees can either be invoiced upfront, over the subscription period or on a monthly basis. Revenue is recognised in the accounting period in which the services are rendered being the period over which access to the platform is granted. Unearned revenue at year end is recognised in the Statement of Financial Position as deferred revenue and included within liabilities.

Transactional usage fees

Transactional usage fees represents the amount billed to the customers based on the specific level of virtual data room (VDR) usage (e.g., amount of data uploaded, or pages occupied). Consideration from usage fees is recognised as revenue on a straight-line basis in the Statement of Profit or Loss and Other Comprehensive Income over the estimated contract life.

Other income

Other income consists of archive fee income, installation and training income and other miscellaneous items.

	30 June 2024 \$'000	30 June 2023 \$'000
Revenue and other incomes		
Platform subscription fees	48,116	43,361
Transactional usage fees	7,993	7,867
Total revenue	56,109	51,228
Other income	580	541
Total revenue and other income	56,689	51,769

Deferred revenue

Deferred revenue consists of platform subscription and transactional usage which are expected to be recognised on a straight-line basis over the remaining life of the contract.



Notes to the Preliminary Final Report (continued)

3. Revenue (continued)

	30 June 2024 \$'000	30 June 2023 \$'000
Total Deferred revenue		
Current deferred revenue	20,457	16,240
Non-current deferred revenue	2,613	814
Total	23,070	17,054

Of the deferred revenue recognised at 30 June 2023, \$16.2 million was recognised in revenue in the current year.

Contract balances

The following table provides information about receivables from contracts with customers.

	30 June 2024 \$'000	30 June 2023 \$'000
Receivables which are included in trade and other receivables	7,898	6,355

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04. Segment information

The Group determines and presents Operating Segments based on the information that is internally provided to the Board, CEO and CFO, who are the Group's chief operating decision makers ('CODM'). Our chief operating decision maker allocates resources and assesses financial performance based upon discrete financial information at the consolidated level. There are no segment managers who are held accountable by the chief operating decision maker, or anyone else, for operations, operating results and planning for levels or components below the consolidated unit level. Accordingly, we have determined that we operate as a single operating and reportable segment. The chief operating decision maker assesses the financial performance on the basis of a single segment.

The Company operates in one business segment, providing provision of services across information governance, board management, risk and compliance including business readiness and online deal rooms for customers via a business to business ("B2B") software ("SaaS") based platform.

Information presented to the CODM on a monthly basis is categorised by type of revenue, earnings before interest, tax, depreciation and amortisation (EBITDA) and segment profit after tax. This analysis is presented below

Operating segment	30 June 2024 \$'000	30 June 2023 \$'000
Platform Subscription fees	48,116	43,361
Transactional Usage fees	7,993	7,867
Total revenue	56,109	51,228
Other income	580	541
Total revenue and other income	56,689	51,769
EBITDA	7,662	6,291
Loss for the year	(1,158)	(5,046)

The amounts of revenue by region in the following table are based on the invoicing location of the customer. The CODM does not review or assess financial performance on a geographical basis.

Disaggregation of revenue

Revenue by geographic location	30 June 2024 \$'000	30 June 2023 \$'000
ANZ (Australia and New Zealand)	32,564	29,779
North America	5,321	5,096
Asia	2,243	2,534
Europe	7,023	6,489
Middle East and Africa	3,238	2,777
United Kingdom	6,300	5,094
Total revenue by geographic location	56,689	51,769

05. Expenses

The Group has presented the expense categories within the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a functional basis. The categories used are cost of revenues, product design and development, sales and marketing and general and administration. The methodology and the nature of costs within each category are further described below.

Cost of revenues

Cost of revenues consists of sales commissions and third-party fees for software used to provide product features and virtual data room archive expenses.

Product design and development expenses

Product design and development expenses consist primarily of personnel and related costs (including salaries and other benefits) directly associated with the Group's product design and development employees, as well as allocated overheads. Under AASB 138, the proportion of product design and development expenses that create a benefit in future periods is capitalisable as an intangible asset and then amortised to profit or loss over the estimated life of the asset created. The amortisation of those costs capitalised is included as a product design and development expense.

Sales and marketing expenses

Sales and marketing expenses consist of personnel and related costs (including salaries and other benefits) directly associated with the sales and marketing team's activities to acquire new customers and grow revenue from existing customers. Other costs included are external advertising costs, marketing costs and promotional event costs as well as allocated overheads.

General and administration expenses

General and administration expenses consist of personnel and related costs (including salaries, benefits, and bonuses) for the Group's executive, finance, legal, human resources and administrative employees. They also include legal, accounting and other professional services fees, insurance premiums, other corporate expenses, and allocated expenses.

Overhead allocation

The presentation of the Consolidated Statement of Profit or Loss and Other Comprehensive Income by function requires certain overhead costs to be allocated to functions. These allocations require management to apply judgment. The costs associated with Ansarada's facilities, internal information technology and non-product related depreciation and amortisation are allocated to each function based on respective headcount.

Notes to the Preliminary Final Report (continued)

5. Expenses (continued)

Expenses by nature

	30 June 2024 \$'000	30 June 2023 \$'000
Employee benefits	28,306	26,611
Included in functional expenses as follows:		
Sales and marketing expenses	13,776	12,182
Product design and development expenses	6,465	6,639
General and administration expenses	8,065	7,790
Total	28,306	26,611

Depreciation and amortisation

Relating to:

Amortisation of software - platform, mobile applications and customer contracts and relationships (note 9)	6,852	8,808
Amortisation of contract acquisition assets (note 9)	1,483	1,310
Depreciation of property, plant and equipment	534	418
Depreciation of leased buildings (note 10)	1,447	1,125
Impairment (note 9)	1,476	369
Total Depreciation, amortisation and impairment	11,792	12,030

	30 June 2024 \$'000	30 June 2023 \$'000
Included in functional expenses as follows:		
Sales and marketing expenses	1,078	741
Product design and development expenses	8,806	9,644
General and administration expenses	425	335
Cost of revenue	1,483	1,310
Total Depreciation, amortisation and impairment	11,792	12,030

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06. Earnings per share (EPS)

The calculation of basic EPS for the year ended 30 June 2024 was based on the loss attributable to ordinary shareholders of \$5.4 million (June 2023: \$5.2 million loss) and a weighted average number of ordinary shares outstanding of 89,337,710 (June 2023: 89,335,568).

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares.

Calculation of earnings per share

Basic earnings per share

Basic EPS is calculated by dividing the net profit/(loss) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares on issue during the year.

Diluted earnings per share

Diluted EPS is determined by adjusting the net profit/(loss) attributable to ordinary shareholders and the weighted average of ordinary shares on issue for the effects of all potential dilution of ordinary shares. Instruments are only treated as dilutive when their conversion to ordinary shares would decrease EPS or increase the loss per share.

	30 June 2024 \$'000	30 June 2023 \$'000
a. Basic earnings per share		
Total earnings per share from continuing operations attributable to ordinary equity holders of the Company	(0.01)	(0.06)
b. Diluted earnings per share		
Total diluted earnings per share from continuing operations attributable to ordinary equity holders of the Company	(0.01)	(0.06)
c. Reconciliation of earnings used in calculating earnings per share		
Net profit/(loss) for the year from continuing operations attributable to the ordinary equity holders of the Company		
Basic and diluted earnings	(1,158)	(5,046)
d. Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic earnings per share		
Basic earnings per share	89,337,710	89,335,568
Diluted earnings per share	104,711,449	91,198,840

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07. Current and deferred income tax

Tax consolidation

Ansarada Group Limited is the head entity of the tax consolidated group comprising of all the Australian wholly owned subsidiaries being Ansarada NewCo Pty Limited, Lockbox Technologies Pty Limited, Ansarada Subco Pty Limited, Ansarada International Pty Limited and TriLine GRC Pty Limited

The tax consolidated group has entered into a tax sharing and tax funding agreement that requires wholly owned subsidiaries to make or receive contributions to or from the head entity for:

- deferred tax balances recognised on implementation date, including the impact of any relevant reset cost bases; and
- current tax assets and liabilities and deferred tax balances arising from external transactions occurring after the implementation of tax consolidation.

Under the tax sharing and funding agreement, the calculations are calculated on a “stand-alone basis” so that the contributions are equivalent to the tax balances generated by external transactions entered into by wholly owned subsidiaries. The contributions are payable as set out in the agreement and reflect the timing of the entity’s obligations to make payments for tax liabilities to the relevant tax authorities. The assets and liabilities arising under the tax sharing and funding agreement are recognised as inter-company assets and liabilities with a consequential adjustment to income tax expense /(benefit).

In the opinion of the Directors, the tax sharing and funding agreement is also a valid agreement under the tax consolidation legislation and limits the joint and several liability of the wholly owned entities in the case of a default by Ansarada Group Limited.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax consolidated group and are recognised as amounts payable /(receivable) to / (from) other entities in the tax consolidated group in conjunction with any tax funding arrangement amounts. Any differences between these amounts are recognised by the Consolidated entity as an equity contribution or distribution.

The consolidated entity recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

As an income tax consolidated group, Ansarada Group Limited (‘Group’) and its wholly owned Australian tax resident subsidiaries are treated as a single entity for income tax purposes. As a result, the Group is responsible for lodging a single Australian consolidated income tax return, maintaining a single franking account and paying income tax instalments on behalf of the group. Further, as the tax consolidated group is viewed as a single entity, intra-group transactions and membership interests of subsidiary members are generally ignored for Australian income tax purposes.

The income tax expense (benefit) for the period is the tax payable on the current period’s taxable income (or loss) based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Some of the brought forward tax losses that have been recognised as a deferred tax asset (DTA) in the Consolidated Statement of Financial Position, were able to be utilised against taxable profits generated in the current financial year, upon satisfaction of the Continuity of Ownership and Similar Business tests. The Company has assessed its probability that it will continue to generate taxable profits going forward and satisfy the recognition criteria under AASB 112.

Notes to the Preliminary Final Report (continued)

7. Current and deferred income tax (continued)

Unrecognised temporary differences

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that there is either available taxable temporary differences (deferred tax liabilities) or that it is probable that future taxable profit will be available against which the asset can be utilised. In the prior financial year, the Group generated a taxable income and utilised \$1.0m of tax loss assets. In the current year, the Company generated a taxable income utilising \$3.6m of tax loss assets, consistent with the prior year taxable income forecast and overall business strategy. The accounting estimation of future taxable incomes differs to accepted taxable income forecasts in a number of ways as required by applicable accounting standards. The accounting estimate has been limited to the 4 year business plan of the Group and excludes tax estimates in years beyond this period. The estimate uses the next financial year's taxable income forecast with the subsequent 3 years limited to external industry growth rates rather than the overall business plan outcomes. The Company has a high demonstrated forecasting accuracy over the next period tax forecasts. The taxable income forecasts prepared in accordance with tax legislation have also been adjusted for the purpose of the accounting estimate to exclude the benefit of taxable amounts arising from deductible temporary differences (deferred tax assets) that are expected to originate in future periods. As a result of the revised forecasts and increase in deferred tax assets, the Company has de-recognised \$0.7m of deferred tax balances during the year.

The Company has elected to defer recognition of tax losses of \$49.0 million and R&D tax offsets of \$5.4m in relation to the prior financial years.

The current tax losses can be deducted from taxable income in future periods if the Company continues to pass the Continuity of Ownership and the Similar Business tests. The Company has concluded that the tax asset currently recognised on the Consolidated Statement of Financial Position which will be utilised against future assessed future profits, is reasonable. At the end of each reporting period, the Company reviews its tax assets to determine the probability that it will be able to offset this tax asset against future taxable profits. If any such indication exists, that the tax asset recognised is not recoverable, the Company will not recognise additional tax losses and write down current tax asset to reflect the recoverable amount.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences, and it is probable that the differences will not reverse in the foreseeable future.

The Group calculated the period income tax expense using the tax rate that would be applicable to the total annual earnings. The major components of income tax expense in the Consolidated Statement of Profit or Loss are:

	30 June 2024 \$'000	30 June 2023 \$'000
Income tax expenses		
Current tax expense	(84)	(239)
Deferred tax benefit	4,212	-
Total income tax benefit/(expense)	4,128	(239)

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Notes to the Preliminary Final Report (continued)

7. Current and deferred income tax (continued)

Movement in deferred tax balances

	Balance 1 July \$'000	Recognised in statement of profit and loss \$'000	Balance 30 June \$'000	Assets \$'000	Liabilities \$'000
2024					
Property, plant and equipment	361	106	467	467	-
Intangible assets	(3,604)	1,452	(2,152)	-	(2,152)
Employee benefits	570	(3)	567	567	-
Prepayments	1	(1)	-	-	-
R&D tax offsets	421	(421)	-	-	-
Leases	272	(36)	236	236	-
Unearned revenue	5,132	1,686	6,818	6,818	-
Contract acquisition costs	211	56	267	267	-
Other items	769	241	1,010	1,010	-
Black hole sec 40-880	(741)	1,415	674	674	-
Tax losses	283	(283)	-	-	-
Net tax assets/(liabilities)	3,675	4,212	7,887	10,039	(2,152)
2023					
Property, plant and equipment	363	(2)	361	361	-
Intangible assets	(5,344)	1,740	(3,604)	-	(3,604)
Employee benefits	476	94	570	570	-
Prepayments	(431)	432	1	1	-
R&D tax offsets	2,411	(1,990)	421	421	-
Leases	196	76	272	272	-
Unearned revenue	5,059	73	5,132	5,132	-
Contract acquisition costs	211	-	211	211	-
Other items	739	30	769	769	-
Black hole sec 40-880	(289)	(452)	(741)	-	(741)
Tax losses	225	58	283	283	-
Net tax assets/(liabilities)	3,616	59	3,675	8,020	(4,345)

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08. Trade and other receivables

Trade receivables

Trade and other receivables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method, net of allowances for expected credit losses. Trade receivables generally have settlement terms of 30 days and are therefore classified as current. The right to receive consideration is unconditional.

Impairment

Collectability of trade receivables is reviewed on a portfolio basis on an ongoing basis in accordance with AASB 9 Financial Instruments. The Group applies the expected credit loss model to trade receivables on a portfolio basis and have increased the probability of customers delaying payment or being unable to pay due to economic conditions.

Receivables that are known to be uncollectable are written off. An additional allowance for impairment is established when there is objective evidence that Ansarada will not be able to collect all amounts due in addition to the expected credit loss provision. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 180 days overdue) are considered indicators that the trade receivable is impaired. Cash flows relating to short-term receivables are not discounted.

	30 June 2024 \$'000	30 June 2023 \$'000
Trade receivables	8,375	6,701
Provision for impairment of receivables	(477)	(346)
Trade receivables (net of provision for impairment)	7,898	6,355
Supplier deposits and other receivables	849	504
Total trade and other receivables	8,747	6,859

09. Intangible assets

Software development – internally generated intangible assets

Costs that are directly associated with the development of software are recognised as intangible assets where the following criteria are met:

- it is probable that the project will be a success considering its commercial and technical feasibility;
- the ability to use or sell the asset;
- the intention to complete the development and use or sell it;
- it can be demonstrated how the software product will generate probable future economic benefits;
- the availability of sufficient resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the costs attributable to the development

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Other development expenditure that does not meet the above criteria is recognised as an expense as incurred. Development costs previously recognised as expenses are not recognised as assets in a subsequent period. Research costs and costs associated with maintenance are recognised as an expense as incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Contract acquisition costs

The Group capitalises incremental costs of obtaining customer contracts, in accordance with AASB 15 Revenue from Contracts with Customers. All contract acquisition costs which are incremental to obtaining new revenue contracts are capitalised and amortised over the expected period of benefit, which the Group has determined based on analysis to be the duration of the contract. Capitalisable costs consist of sales commissions that have a direct relationship to new revenue contracts obtained. Capitalised costs are amortised to costs of revenue in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Useful lives of intangible assets

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

With the exception of goodwill, the estimated useful life of the Group's intangible assets are assessed to be finite. Assets with finite lives are amortised over their useful lives and tested for impairment whenever there are indicators that the assets may be impaired.

Amortisation is recognised in the Consolidated Statement of Profit or Loss and other Comprehensive Income on a straight-line basis over the estimated useful life of the intangible asset, from the date it is available for use.

The estimated useful lives are set out in the table below:

Class of intangible asset	Estimated useful life
Software – Platform	3–5 years
Mobile applications	1– 4 years
Contract acquisition costs	1–3 years
Customer contracts and relationships	3–7 years

Notes to the Preliminary Final Report (continued)

9. Intangible assets (continued)

Impairment considerations

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount is the greater of fair value less costs to sell or the asset's value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment is recorded if its recoverable amount is less than its carrying amount. The recoverable amount is the higher of fair value less cost to disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate.

Goodwill and goodwill impairment testing

Goodwill represents the excess of purchase consideration over the fair value of net assets acquired in a business combination. Goodwill is carried at cost less accumulated impairment losses and is tested for impairment annually or more frequently, if events or changes in circumstances indicate that it might be impaired.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash generating units). Goodwill is allocated to cash generating units (CGUs), or groups of CGUs, expected to benefit from synergies of the business combination.

The Group's goodwill balance consists of \$0.7 million of goodwill recognised on the acquisition of Ansarada Vietnam Limited in March 2023, \$4.5 million of goodwill recognised on the acquisition of TriLine GRC Pty Ltd in October 2021, and \$17.2 million of goodwill recognised on the acquisition of Ansarada Group Limited in December 2020.

The Group has determined that there are two CGU's:

- TriLine GRC CGU;
- Ansarada CGU

The Group performed its annual impairment test in June 2024 and estimated the recoverable amount of the CGU's based on value-in-use calculations.

The key assumptions used in the estimation of the recoverable amounts are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources:

i. Discount rate

The discount rates used in the discounted cash flow models reflect the Group's estimate of the time value of money and risks specific to the CGU's. Discount rates are based on the Group's weighted average cost of capital (WACC), adjusted for market risk and specific risk factors. The post-tax discount rate used for the Ansarada CGU was 13.4% (2023: 13.4%) and the post-tax discount rate used for the TriLine GRC CGU was 14.8% (2023: 14.8%).

ii. Projected cash flows

The projected cash flows are derived from 2024 actual results and 2025 to 2029 financial projections approved by the Board. This reflects the best estimate of the CGU's cash flows at the time of this report. Projected cash flows can differ from future actual cash flows and results of operations.

iii. Long-term growth rate into perpetuity

A long-term growth rate of 2.5% is used for both the Ansarada CGU and the TriLine GRC CGU into perpetuity, based on the expected long-range growth rate for the respective industries.

Sensitivity range for impairment testing assumptions

As at 30 June 2024, management has identified that for the carrying amount to exceed the recoverable amount the discount rate would need to increase to 31% for the Ansarada CGU and 25% for the TriLine GRC CGU respectively.

No impairment arose as a result of goodwill impairment testing for the period ended 30 June 2024.

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Notes to the Preliminary Final Report (continued)

9. Intangible assets (continued)

	Software Platform \$'000	Customer contracts and relationships \$'000	Mobile Applications \$'000	Capital WIP \$'000	Goodwill \$'000	Contract Acquisition Costs \$'000	Total \$'000
2024							
Cost							
Opening balance	67,109	304	1,044	1,603	22,367	4,739	97,166
Additions	3,999	-	-	669	-	1,697	6,365
Reclassification	1,141	-	-	(1,141)	-	-	-
Closing balance	72,249	304	1,044	1,131	22,367	6,436	103,531
Accumulated amortisation and impairment losses							
Opening balance	(53,345)	(125)	(1,044)	(465)	-	(4,255)	(59,234)
Amortisation	(6,777)	(75)	-	-	-	(1,483)	(8,335)
Impairment	(1,454)	-	-	(22)	-	-	(1,476)
Closing balance	(61,576)	(200)	(1,044)	(487)	-	(5,738)	(69,045)
Carrying amounts							
At 30 June 2023	13,764	179	-	1,138	22,367	484	37,932
At 30 June 2024	10,673	104	-	644	22,367	698	34,486
2023							
Cost							
Opening balance	62,963	304	1,044	857	22,367	3,564	91,099
Additions	3,728	-	-	1,164	-	1,175	6,067
Reclassification	418	-	-	(418)	-	-	-
Closing balance	67,109	304	1,044	1,603	22,367	4,739	97,166
Accumulated amortisation and impairment losses							
Opening balance	(44,640)	(50)	(1,016)	(96)	-	(2,945)	(48,747)
Amortisation	(8,705)	(75)	(28)	-	-	(1,310)	(10,118)
Impairment	-	-	-	(369)	-	-	(369)
Closing balance	(53,345)	(125)	(1,044)	(465)	-	(4,255)	(59,234)
Carrying amounts							
At 30 June 2022	18,323	254	28	761	22,367	619	42,352
At 30 June 2023	13,764	179	-	1,138	22,367	484	37,932

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10. Right-of-use assets

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Non-current assets

	30 June 2024 \$'000	30 June 2023 \$'000
Right-of-use assets (buildings)	3,974	5,164

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	30 June 2024 \$'000	30 June 2023 \$'000
Opening balance at 1 July 2023	5,164	5,898
Additions	501	599
Depreciation expense	(1,653)	(1,331)
Foreign exchange adjustment	(38)	(2)
Closing balance at 30 June 2024	3,974	5,164

Amount recognised in Consolidated Statement of Profit and Loss and Other Comprehensive Income

	30 June 2024 \$'000	30 June 2023 \$'000
Depreciation of leased buildings	1,653	1,331
Less: capitalised depreciation of leased buildings	(206)	(206)
Total	1,447	1,125

11. Trade and other payables

Trade and other payables are stated at their amortised cost and are non-interest bearing. Trade payables are normally settled within 30 days. The carrying amount of trade payables approximates net fair value.

	30 June 2024 \$'000	30 June 2023 \$'000
Trade payables	4,806	2,408
Sundry payables and accrued expenses	2,010	1,908
Accrued employee costs	4,078	3,183
Total trade and other payables	10,894	7,499

12. Lease liabilities

	30 June 2024 \$'000	30 June 2023 \$'000
Opening balance at 1 July 2023	6,070	6,779
Additions	501	599
Principal Repayments	(1,990)	(1,615)
Interest expense	223	254
Foreign exchange adjustment	(11)	53
Closing balance at 30 June 2024	4,793	6,070
Current lease liability	1,941	1,746
Non-current lease liability	2,852	4,324
Total	4,793	6,070

Under AASB 16: Leases the Group is required to recognise lease contracts identified as containing a lease, except when the lease is for 12 months or less or the underlying asset is of low value.

Lease liabilities are initially measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate. Subsequently, the carrying value of the liability is adjusted to reflect interest and lease payments made. Lease liabilities may be re-measured when there is a change in future lease payments arising from a change in an index or market rate, or if there is a change in the Group's estimate of the amount expected to be payable.

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13. Contingent assets and contingent liabilities

There were no contingent assets or liabilities that have been incurred by the Group in relation to 30 June 2024 (30 June 2023: nil).

14. Financial instruments – Fair values and risk management

a. Fair values

The following information notes the reliability of the inputs used in determining the fair value of financial assets and liabilities carried at fair value. The three levels in the hierarchy reflect the level of independent observable market data used in determining the fair values and are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: other valuation methods for which all inputs that have a significant impact on fair value are observable, either directly (as prices) or indirectly (derived from prices).
- Level 3: one or more key inputs for the instrument are not based on observable market data (unobservable inputs). All assets and liabilities carrying values are aligned to their fair value, with the exception of convertible notes.

Accounting classifications and fair values

The fair value of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	Accounting classification	30 June 2024 \$'000		30 June 2023 \$'000	
		Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables	Amortised cost	8,747	8,747	6,859	6,859
Cash and cash equivalents	Amortised cost	30,510	30,510	21,593	21,593
Trade and other payables	Amortised cost	(10,894)	(10,894)	(7,499)	(7,499)

15. Share-based payments

During the reporting period ending 30 June 2024, the Group issued the following share-based payment arrangements.

Employee Share Option Plan

During the reporting period ending 30 June 2024, the Company granted 1,877,333 options under the Group's Long Term Incentive Plan (LTI) in September and November 2023 (2024 ESOP). The share options are split into two tranches (Tranche A and Tranche B) and vest subject to meeting a share price appreciation condition. Tranche A vests if the share price remains above \$1.44 for a period of 20 consecutive business days at any period 5-years from the grant date. Tranche B vests if the share price remains above \$1.64 for a period of 20 consecutive business days at any period 5-years from the grant date. If the vesting conditions for either tranche are satisfied within the first 12 months after the grant date, there will be a restriction on exercise until after the 12 month period has ended. The September 2023 grant has a calculated value of \$0.915 for Tranche A and \$0.920 for Tranche B determined using a Monte Carlo Simulation. The November 2023 grant has a calculated value of \$0.820 for Tranche A and \$0.830 for Tranche B determined using a Monte Carlo Simulation.

The significant inputs into the model were the share price at grant date, the exercise price (refer below), the expected annualised volatility of 80% for the September 2023 grant and 70% for the November 2023 grant, a dividend yield of 0%, time to expiry of six years and risk-free interest rate of 3.9% for the September 2023 grant and 4.2% for the November 2023 grant. Set out below is a summary of the LTI plan:

Grant date	6 September 2023 and 21 November 2023
Number of Options issued	1,877,333
Exercise price	September 2023 grant \$1.32 and November 2023 grant \$1.44
Contractual life of Options	5 years

Employee Share Option Plan – Outperformance options

During the reporting period ending 30 June 2024, the Company granted 100,000 'outperformance' options under the Group's Long Term Incentive Plan (LTI) in July 2023, with a calculated value of \$1.35 determined using a Black Scholes calculation model (2024 OO). The share options vest subject to meeting the Group's target revenue annual growth rates for the 12 month period from FY23 to FY24.

The significant inputs into the model were the share price at grant date, the exercise price of \$0.01, the expected annualised volatility of 64.38%, a dividend yield of 0%, performance period of three years and risk-free interest rate of 3.3%. Set out below is a summary of the LTI plan:

Grant date	1 July 2023
Number of Options on acquisition	100,000
Exercise price	\$0.01
Vesting period	1 year

Employee Incentive Plan

During the reporting period ending 30 June 2024, the Company granted 184,389 Employee Incentive Plan options in September 2023, with a calculated value of \$1.31 determined using a Black Scholes calculation model (2024 EIP). The share options vest subject to remaining employed with Ansarada until 12 months after the grant date.

The significant inputs into the model were the share price at grant date, the exercise price of \$0.01, the expected annualised volatility of 80%, a dividend yield of 0%, performance period of three years and risk-free interest rate of 4.1%. Set out below is a summary of the LTI plan:

Grant date	6 September 2023
Number of Options on acquisition	184,389
Exercise price	\$0.01
Vesting period	1 year

Notes to the Preliminary Final Report (continued)

15. Share-based payments (continued)

Non-executive Director options

During the reporting period ending 30 June 2024, the Company granted 300,000 Non-executive Director options in November 2023, with a calculated value of \$0.502 determined using a Black Scholes calculation model (2024 NED). The share options vest subject to remaining engaged with the Group until 12 months after the grant date.

The significant inputs into the model were the share price at grant date, the exercise price of \$1.44, the expected annualised volatility of 80%, a dividend yield of 0%, performance period of three years and risk-free interest rate of 4.1%. Set out below is a summary of the LTI plan:

Grant date	21 November 2023
Number of Options on acquisition	300,000
Exercise price	\$1.44
Vesting period	1 year

Employee Matching Share Rights Plan

Employees have the opportunity to purchase shares in the Company using up to 25% of their annual base salary. For every two acquired shares, the employee will be awarded a right to receive one additional share of the Company under the conditions outlined in the Employee Matching Share Rights Plan. The matching rights are purchased on market by the Company throughout the contribution period, and subsequently reissued to employees once the rights vest. The Company does not issue new shares under the Employee Matching Share Rights Plan. The Group recorded a net expense of \$73,000 in year ended 30 June 2024 (30 June 2023: \$181,000) in relation to the Employee Matching Share Rights Plan.

	30 June 2024 \$'000	30 June 2023 \$'000
Legacy employee share option plan	15	6
LTI options (2021 ESOP)	262	495
LTI options (2022 ESOP)	349	264
LTI options (2023 ESOP)	382	251
LTI options (2024 ESOP)	1,027	-
Outperformance options (2022 OO)	581	431
Outperformance options (2023 OO)	120	40
Outperformance options (2024 OO)	135	-
Employee matching share rights plan	73	181
Equity incentive plan 2024	183	-
Non-executive Directors options 2024	91	-
Total share-based payments expense	3,218	1,668

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Notes to the Preliminary Final Report (continued)

15. Share-based payments (continued)

	Number of share options	Fair value of share options	Weighted average fair value per option
2024			
Opening	13,331,369	5,923,040	0.444
Granted Outperformance options (2024 OO)	100,000	135,000	1.35
Granted LTI options (2024 ESOP)	1,877,333	1,662,274	0.885
Granted Equity incentive plan 2024	184,389	241,550	1.310
Granted Non-executive Directors options 2024	300,000	150,600	0.502
Cancelled Outperformance options (2023 OO)	(200,000)	(320,000)	1.600
Lapsed LTI options (2024 ESOP)	(62,589)	(57,426)	0.918
Lapsed LTI options (2023 ESOP)	(34,515)	(18,500)	0.536
Lapsed LTI options (2022 ESOP)	(73,788)	(51,209)	0.694
Lapsed LTI options (2021 ESOP)	(21,370)	(5,150)	0.241
Lapsed Legacy options	(24,099)	(43,378)	1.80
Legacy options exercised	(2,992)	(5,398)	1.804
Share options on issue as at 30 June 2024	15,373,738	7,611,403	0.495
	Number of share options	Fair value of share options	Weighted average fair value per option
2023			
Opening	11,039,354	4,388,170	0.398
Granted 23 ESOP LTI options – Aug 22 Grant	1,656,462	887,864	0.536
Granted 23 ESOP LTI options – Nov 22 Grant	448,324	218,334	0.487
Granted 23 OO options	600,000	960,000	1.60
Lapsed 2021 ESOP LTI options	(36,014)	(8,673)	0.241
Lapsed Legacy options	(1,197)	(2,155)	1.80
Lapsed 2024 ESOP LTI options	(75,560)	(40,500)	0.536
Lapsed 23 OO options	(300,000)	(480,000)	1.60
Share options on issue as at 30 June 2023	13,331,369	5,923,040	0.444

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16. Subsequent events

On 13 February 2024, Ansarada Group Limited entered a Scheme Implementation Deed with DS Answer Pty Limited ('Datasite'), an entity owned by funds managed by CapVest, to acquire 100% of the fully diluted share capital in Ansarada by way of a scheme of arrangement. Under the terms of the scheme, Ansarada shareholders will be entitled to receive \$2.50 cash per share, which implies a fully diluted equity value of \$236.3 million. The implementation of the scheme is still subject to, amongst other things, Ansarada shareholder approval, as well as court approval. The scheme is a non-adjusting post balance sheet event.

There were no other items, transactions or events of a material or unusual nature, that, in the opinion of the Board, are likely to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group that have arisen in the period from 30 June 2024 to the date of this report.

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