isentia

2020
Annual Report
Isentia Group Limited

curiosity innovation

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Chairman's Letter

Dear Shareholder

The financial year ended 30 June 2020 (‘FY2020’) has been a year of significant achievement for Isentia as we continued to implement our strategic plan, restructure our cost base and invest in product and technology to deliver superior media intelligence solutions to our over 3,000 customers.

Isentia continues to offer the most extensive suite of products and services across the Asia-Pacific. Isentia’s software-as-a-service (SaaS) platform is the most widely used in the region with an unmatched data set in terms of size and diversity of content. Our proprietary search algorithms deliver accurate and relevant content to our government and corporate customers and we are a leading provider of embedded analytics and multi-lingual capabilities.

During the year, the Board and management team continued to execute on its three-year strategic plan. We improved our operational reliability and performance with significant investment in technology while continuing to take running costs out of the business. Our ongoing product development ensures that we have a strong point of difference in the breadth of our media coverage and relevance of the information we provide. Our investment to improve client experience has resulted in the faster delivery of content, the development of a scalable tech stack and reduced costs across data pipelines.

Following a thorough review of our business portfolio to ensure that all areas were either strategically important or had the potential to make a positive contribution, we decided to exit the North Asia business. As part of this, we entered a strategic alliance with Wisers Information Limited, a leading provider of big data smart intelligence solutions based in Hong Kong. This agreement allows both parties to explore further opportunities to collaborate across other markets.

Isentia remains committed to its South East Asia markets where it is a leading provider of social media analytics and has close partnerships with local and multi-national clients. Our new Chief Executive Asia, James Merritt, who was appointed in October 2019, has brought valuable structure and clarity of direction to this business which is expected to continue to perform well into the future.

Isentia continues to operate in a highly competitive market in ANZ but we maintain strong margin discipline, and management is to be congratulated on its achievements in right sizing the cost base to deliver ongoing profitability. The importance of our products and services in a crisis was highlighted over the Australian summer when bushfires resulted in higher usage of our platform and we launched new briefing communications to further support our clients. We remain committed to achieving a fair and equitable outcome on copyright and will continue our efforts to realise a ‘level playing field’ in FY2021.

At the same time, the hard work that management has done over the past two years to introduce greater variability into our cost base allowed us to move quickly to reduce costs and accelerate existing cost management programs in response to the COVID-19 pandemic. Although the outbreak disrupted many of our customers’ operations, the essential nature of our products and services mitigated the impact of the pandemic on our business. We experienced high utilisation levels for our platform and increased demand for our Insights products as customers struggled to understand the implications of the pandemic on their brand or corporate reputation.

COVID-19 also highlighted the resilience of our business model with 90% recurring revenue and high cashflow generation. As a result, there was limited impact on the business, and we were able to deliver underlying EBITDA (including North Asia and pre-AASB16) of $20.9 million which was in line with previously stated guidance.

FY2020 has been a year of tremendous change and I want to applaud the dedication and courage of our team as they adapted rapidly to a new paradigm. Within a matter of weeks, we moved most of the business, over 1,100 employees, to remote working while maintaining service levels to our customers across 11 markets.

Chairman's Letter

Despite the distraction of a global pandemic, the execution of our strategic plan remains on track and we have continued to invest in product and technology to drive operational efficiencies and innovation across our business.

The Board remains focused on balance sheet remediation with net debt of $24.6 million as at 30 June 2020, down from $43.1 million at 30 June 2018. As a result, our financial position is strong with sufficient headroom on our debt covenants. The Board has decided not to pay a dividend as it believes that further debt reduction and capital investment will deliver the greatest long-term benefits to shareholders.

Although the economic outlook remains uncertain, our subscription model is expected to continue to underpin our performance and we remain on track to deliver on our strategic priorities in FY2021.

Doug Snedden
Chairman

24 August 2020
Sydney

Chief Executive Officer's Report

The FY2020 financial year represented another important milestone in the transformation of Isentia's business. We continued to execute on our strategic plan realising further operational efficiencies, releasing new product features and streamlining our operations with our exit from North Asia.

In the second half of the year, the strength of our processes and capabilities became evident when we were forced to rapidly transition our staff to remote working while continuing to service our clients who were dealing with a once-in-a-century crisis. The critical nature of our products and services was shown by the high utilisation rates of our platform and the increased demand, particularly by government and large corporates for insights products during the Australian bushfires and COVID-19 pandemic. To further assist our clients, we fast-tracked platform improvements and developed a library of resources which allowed them to stay on top of conversations relating to these crises. We also supported a number of smaller clients by pausing contracts for certain periods.

FY2020 Result in line with previously stated guidance

Turning to our FY2020 result, we reported revenue of $110.3 million and underlying earnings before interest, taxation and depreciation ('underlying EBITDA') of $20.9 million (including North Asia and pre-AASB 16), which was in line with the underlying EBITDA guidance provided in August 2019.

Isentia is the preferred media intelligence provider for most government departments and large corporations in Australia and we continued to win new clients from our competitors throughout the year. This market, however, remained highly competitive with net client losses and price compression resulting in revenue decline over the period. The hard work done in recent years to right size our cost base delivered a ten per cent reduction in total costs. Cost of sales were 22.7% lower year on year partly due to our successful action in the Australian Copyright Tribunal and the granting of an interim licence in April 2019. Our campaign to achieve a sustained "level playing field" for copyright will continue in FY2021. In March 2020, as COVID-19 spread beyond our Asian markets, we acted quickly to reduce costs and accelerate existing cost management programs.

In FY2020, South East Asia continued to perform well reflecting our leading position in most markets. We recorded mid-single digit revenue growth and an increase in profitability. Following the appointment of a new Chief Executive Asia, we reorganised the account management team and realised significant cost efficiencies through the standardisation of products and capabilities across the region.

On 30 June, we announced that following an extensive strategic review, we had decided to close our North Asian operations which, despite the implementation of cost reduction programs, had remained loss-making and cashflow negative. This was due to the poor alignment of these assets with the rest of the business and the significant capital investment needed to meet customer demands and achieve scale in these markets. The exit allows us to focus on the implementation of a single platform across South East Asia which clears the way for innovation to reach all our markets simultaneously.

In FY2020, North Asia contributed $8.5 million in revenue but recorded an EBITDA loss of $1.2 million. From a financial perspective, the exit resulted in one-off net cash closure costs of $3-4 million which will be incurred over the next 12 months, primarily in the first half of FY2021. It also resulted in a non-cash impairment of $9.9 million against the carrying value of the North Asian assets which did not affect existing bank covenants.

Our strong cash flow conversion from operations enabled Isentia to reduce net debt to $24.6 million at 30 June 2020, our lowest net debt position since 30 June 2015.

Execution of strategic plan

We continued to make progress in executing our strategic plan which aims to eliminate cost from the business where possible and invest to deliver world-class market-centric product innovation and a superior user experience.

During the year, our ongoing investment in product development provided us with a pipeline of new, differentiated features such as a new analytics dashboard, enhancements to Live Alerts, next generation broadcast and automated translations. We also further improved the usability and functionality of our mobile app so that our clients can manage their media consumption and distribution from anywhere, at any time. These new features enhanced our competitive position and received positive feedback from existing clients, allowing our sales teams to open new conversations with prospective customers.

We continued to make significant progress in realising operational efficiencies as we automated press and broadcast functions to increase the speed of content delivery. Voice-to-text (VTT) technology is now being used to deliver broadcast content to clients in real time. There was also further consolidation of our platforms and systems to simplify our technology footprint with machine learning being used to remove cost and accelerate workflows.

Chief Executive Officer's Report

Driving scale in South East Asia remains a priority and we continued to leverage our core products, technology and infrastructure across these markets. Our strengths in the region include our deep expertise in social media analytics, cross-regional partnerships, unique data sets and multi-language tech capabilities. We continue to achieve consistent annual sales growth and are making progress in transitioning to a single platform. We are also investing in a data sciences team which will further enhance our local data capability, providing high value media intelligence solutions for local clients.

During the year, we diversified our research and analytics offering with the addition of Reputation Analysis. This represents an entirely new approach to reputation management with a reporting methodology that combines social and survey data and allows organisations to understand what stakeholders think, feel and say about them.

The year ahead

Although COVID-19 has disrupted the operations of many of our clients, the essential nature of our products and services has resulted in limited impact on revenue to date and our financial position remains strong. Our clients continue to turn to us for support in understanding the implications of the pandemic on their organisations and these relationships have been strengthened by their reliance on our COVID-19 Hub and other managed services.

The implementation of our strategic roadmap continues to enhance our competitive position across the region. Our strategic projects will focus on delivering a better user experience from our platform, substantial improvements to our social media capabilities, and the complete real-time automation of broadcast content. FY2020 was an important transformative year for the company and in FY2021, we expect to further build the foundations for future growth.

Although the economic outlook for the year ahead is uncertain, we remain focused on the successful execution of our strategic plan and will continue to invest in product and technology to deliver superior customer outcomes and drive earnings growth.

I would like to thank the Board for their support and the incredible Isentia team who have worked hard to ensure that our clients receive the most up-to-date and relevant media intelligence under any circumstances.

Ed Harrison
Chief Executive Officer

24 August 2020
Sydney

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Isentia Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

The following persons were directors of Isentia Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Doug Snedden - Chairman and Independent Non-Executive Director
Ed Harrison - Managing Director and Chief Executive Officer
Fiona Pak-Poy - Independent Non-Executive Director
Travyn Rhall - Independent Non-Executive Director
Justin Kane - Non-Executive Director
Abigail Cheadle - Independent Non-Executive Director
Jeffrey Strong - Alternate Director to Justin Kane

A profile of each director holding office at the date of this report is included in the 'Information on directors' section of this report.

Principal activities

During the financial year the principal continuing activities of the Group consisted of the provision of media intelligence services to public and private sector clients through its media database, media release distribution, media monitoring, social media monitoring and media analysis.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Group after providing for income tax amounted to $10,885,000 (30 June 2019: $34,341,000).

The loss was due to expenses related to the exit of the North Asia operations including an impairment of $9,912,000 and other exit costs of $2,801,000 (30 June 2019: nil). Refer to note 6 to the financial statements for further details.

The underlying EBITDA for the Group amounted to $20,865,000 (30 June 2019: $23,060,000).

A reconciliation of underlying EBITDA to the statutory loss for the year is provided in note 3 to the financial statements.

Although the COVID-19 pandemic disrupted the operations of many of the Group's clients, the essential nature of our products and services resulted in limited impact to FY2020 revenue. The Group acted early to implement cost saving measures and accelerate existing cost management programs. As a result, the Group's financial position remains strong with good operating cash conversion from underlying EBITDA and sufficient headroom on its existing bank facility which does not expire until 31 July 2021.

Refer to the Chairman's letter and Chief Executive Officer's report for further commentary on the review of operations.

Significant changes in the state of affairs

Following an extensive strategic review, the Group has decided to exit its loss-making North Asian operations due to the poor alignment of this business to the Group's business strategy and the substantial capital investment needed to meet the unique customer requirements to reach scale in this market.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

The impact of COVID-19 is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 1 July 2020 the first tranche of the FY19 Executive Reward Plan (**FY19 ERP**) Deferred Equity Rights (comprising 299,421 FY19 Deferred Equity Rights) awarded pursuant to the FY19 ERP became eligible for vesting.

Directors' Report

On 6 August 2020 the CEO Engagement Rights comprising 934,494 CEO Engagement Rights awarded pursuant to the CEO Engagement Rights Offer became eligible for vesting.

Vesting of all rights are subject to the Board's determination in accordance with the Company's Long-Term Incentive Plan Rules (**LTIP Plan**). Subject to the terms of the applicable rights offer, the LTIP Plan and the Board's determination, vested rights ordinarily entitle the rights holder to the allocation of one ordinary share in the Company. Details of the FY19 ERP and CEO Engagement Rights are set out in the 2019 Remuneration Report.

Any allocation of shares in accordance with the FY19 ERP and the CEO Engagement Rights Offer will occur after the reporting date/release of the FY2020 Financial Report.

On 14 August 2020, the Group completed the sale of its interest in the Beyond Co.Ltd.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Likely developments in the operations of the Group and the expected results of those operations are contained in the Chairman's letter and Chief Executive Officer's report.

Environmental regulation
The Group is not subject to any significant environmental regulation under International, Australian Commonwealth or State law.

Information on directors
Information on the directors as at the date of this report is set out below:

Name:	Doug Snedden
Title:	Independent Non-Executive Chairman
Qualifications:	Bachelor of Economics and Accounting, Australia National University
Experience and expertise:	Doug has over 30 years' experience in finance, consulting, strategic management and outsourcing. Doug has previously worked as Country Managing Director of Accenture Australia. Doug is Chair of Odyssey House NSW, McGrath Foundation and the Chris O'Brien Lifehouse and was formerly a director of Securities Industry Research Centre of Asia-Pacific (SIRCA) Limited. He is also a member of the National Library of Australia Council, a director of Frisk Pty Ltd and a member of the Australian Institute of Company Directors.
Other current directorships:	OFX Limited (ASX: OFX)
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Board and member of the Nomination and Remuneration Committee and the Audit and Risk Committee
Interests in shares:	358,000 ordinary shares held indirectly
Interests in options:	None
Interests in rights:	None

Name:	Ed Harrison
Title:	Chief Executive Officer and Managing Director
Qualifications:	Bachelor of Arts (Hons) Economic and Political Development from University of Exeter, Master of Business Administration from Australian Graduate School of Management
Experience and expertise:	Ed has over 25 years' experience across many types of media including print, outdoor and digital in Australia, New Zealand and the United Kingdom. Ed came to Australia in 2001 to set up JC Decaux's business in Victoria and South Australia. From 2003 to 2008, he was General Manager (Australia) of JC Decaux, the world's largest out-of-home advertising company, as it established a dominant position in Australian street furniture. Ed then joined Fairfax Digital, a leading provider of online news, information and classified websites. As Group Sales Director at Fairfax Media, Ed was responsible for sales operations across 300 newspaper, magazine and digital brands with a diverse customer base and combined revenue of $500 million. From 2014 to June 2018, Ed was the CEO of Yahoo7, a joint venture between Seven West Media and Verizon, which delivered digital media products and original content to over nine million monthly users.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Interests in rights:	934,494 Engagement Rights (approved by shareholders at 2018 AGM) 183,915 FY19 ERP Deferred Equity Rights (approved by shareholders at 2019 AGM) 1,061,377 FY19 ERP Long Term Performance Rights (approved by shareholders at 2019 AGM)

Name:	Fiona Pak-Poy
Title:	Independent Non-Executive Director
Qualifications:	Honours degree in Civil Engineering from The University of Adelaide and a MBA from Harvard Business School
Experience and expertise:	Fiona brings significant experience gained particularly with technology companies. Fiona is a director of Tyro Payments Limited, Novotech Aus Holdings Pty Ltd and The Sydney School of Entrepreneurship and a member of ASIC's Director Advisory Panel. Previously, she was a member of the board of MYOB Group Limited, the Securities Industry Research Centre of South East Asia ('SIRCA'), PageUp People, StatePlus, and the Federal Government's National Precincts Board and Innovation Australia Board where she Chaired or was a member of a number of the innovation committees. Fiona was a General Partner of an Australian venture capital fund that invested in Australian technology companies and was a strategy consultant with The Boston Consulting Group in the US and Australia.
Other current directorships:	Tyro Payments Limited (ASX:TYR)
Former directorships (last 3 years):	MYOB Group Limited (ASX: MYO)
Special responsibilities:	Chair of the Nomination and Remuneration Committee and a member of the Audit and Risk Committee
Interests in shares:	229,412 ordinary shares held indirectly
Interests in options:	None
Interests in rights:	None

Name:	Travyn Rhall
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Arts (Hons) in Statistics from Macquarie University and a Graduate Diploma in Economics from the Australian National University
Experience and expertise:	Travyn has over 30 years' experience leading businesses operating across Europe, Asia Pacific, North and South America, Africa, and the Middle East. Most recently, he was Global CEO of Kantar Insights, a division of Kantar, the data investment management arm of WPP plc, an FTSE100 media, marketing and communications group. From 2006 to 2015, Travyn was Regional CEO of Millward Brown for Africa, Middle East and Asia Pacific, and then Global CEO. Travyn is a Fellow of the Institute of Company Directors and the Market and Social Research Society of Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Nomination and Remuneration Committee and the Audit and Risk Committee
Interests in shares:	800,000 ordinary shares held indirectly
Interests in options:	None
Interests in rights:	None

Name:	Justin Kane
Title:	Non-Executive Director
Qualifications:	Master of Business Administration from University of Chicago Booth School of Business and a Bachelor of Arts in Philosophy (High Honors) from Swarthmore College, (McCabe Scholar and Phi Beta Kappa)
Experience and expertise:	Justin is Director of Research and a Founding Partner of Gilead Capital LP, an investment management firm located in New York. Gilead Capital is one of the Company's largest shareholders and at the date of this report owns 15.44% of issued capital. Justin has extensive experience in the investment management and technology industries.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Nomination and Remuneration Committee
Interests in shares:	30,876,369 Ordinary shares held indirectly by Gilead Capital LP interests
Interests in options:	None
Interests in rights:	None

Name:	Abigail Cheadle
Title:	Independent Non-executive Director
Qualifications:	Bachelor of Business from Queensland University of Technology
Experience and expertise:	Abigail is a Chartered Accountant with almost 30 years' experience spending 17 years working throughout Asia. She has held executive directorships and senior management positions in major accounting and risk management firms including Kroll, KordaMentha, Deloitte and Ernst & Young, specialising in turning around listed companies in South East Asia and providing data analytics, business intelligence and forensic services. Abigail was formerly CEO of a disruptive technology platform.
Other current directorships:	Qantm Intellectual Property Limited (ASX: QIP) Shriro Holdings Ltd (ASX: SHM)
Former directorships (last 3 years):	SurfStitch Group Limited (ASX: SRF)
Special responsibilities:	Chair of the Audit and Risk Committee and a member of the Nomination and Remuneration Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

Name:	Jeffrey Strong
Title:	Alternate Director to Justin Kane
Qualifications:	Chartered Financial Analyst with a Master of Business Administration from College of William & Mary, Bachelor of Science from University of Missouri
Experience and expertise:	Jeffrey is the Chief Investment Officer, Managing Partner and a Founding Partner of Gilead Capital LP. He has a long career in investment management and broad experience as a director on company boards across Europe and North America. Jeffrey is a Director of MCS Holdings Ltd and Computer Programs Systems, Inc. and was previously a Director of Landauer Inc, TPC Group and Treveria plc.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	30,876,369 Ordinary shares held indirectly by Gilead Capital LP. interests
Interests in options:	None
Interests in rights:	None

'Other current directorships' quoted above are current directorships for ASX listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for ASX listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Jacquie Shanahan, General Counsel and Company Secretary, joined the Group in August 2015. Jacquie brings many years of company secretarial, corporate governance and commercial law experience to the Group. She has held company secretarial and legal roles with subsidiaries of United Parcel Service of America, ASX listed Roc Oil Company Limited and RGA Reinsurance Company of Australia Limited (continuing). In addition to these roles, Jacquie has been involved in the regulation of corporate governance reporting at the ASX and was a senior associate in corporate commercial practice at Corrs Chambers Westgarth. Jacquie holds Bachelor of Arts and Bachelor of Laws from the University of Queensland and is a member of the Law Society of New South Wales and the Association of Corporate Counsel Australia.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held*	Attended	Held***	Attended	Held
Doug Snedden	17	17	2	2	4	4
Ed Harrison	17	17	-	-	-	-
Fiona Pak-Poy**	16	17	2	2	4	4
Travyn Rhall	17	17	2	2	4	4
Justin Kane	17	17	2	2	-	-
Abigail Cheadle	17	17	2	2	4	4

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* Nine ad hoc, called at short notice Board meetings were held throughout FY2020 in addition to the eight scheduled Board meetings. These ad hoc meetings were called to address, amongst other matters, the Company's response to COVID-19.
** Fiona Pak Poy attended all scheduled Board meetings.
*** Although only two formal meetings of the Nomination and Remuneration Committee (NRC) were held in FY2020, NRC matters were addressed at both the scheduled and ad hoc Board meetings.

Shares under option

There were no unissued ordinary shares of Isentia Group Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Isentia Group Limited issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

Shares under rights
At the date of this report there was a total of 5,646,064 rights over unissued ordinary shares of Isentia Group Limited. This total comprises 1,879,418 Engagement Rights and 598,837 FY19 ERP Deferred Equity Rights and 3,167,809 FY19 ERP Long-Term Performance Rights. Refer to the remuneration report below and note 41 of the financial statements for further details.

Rights holders do not have any right by virtue of the right to participate in any share issue of the Company or of any related body corporate.

Shares issued on the exercise of rights
There were no ordinary shares of Isentia Group Limited issued on the exercise of rights during the year ended 30 June 2020 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 32 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 32 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former audit partners of Deloitte Touche Tohmatsu
There are no officers of the Company who are former audit partners of Deloitte Touche Tohmatsu.

Directors' Report

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 follows this directors' report.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

Letter from the Chair of the Nomination and Remuneration Committee

Dear Shareholder

I am pleased to present the remuneration report to you on behalf of the Nomination and Remuneration Committee ('NRC') for the financial year ended 30 June 2020 ('FY2020').

FY2020 has been a productive year for Isentia as we continued to implement our strategy which delivered significant operational efficiencies, introduced new product features and streamlined our Asian operations. We continued to restructure our cost base leading to a 10% reduction in total costs compared to the prior year. As a result of these initiatives, Isentia is better able to meet customer demand for greater speed and functionality, powerful on-platform analytics and insights, and social media monitoring.

During the year, the essential nature of our solutions was highlighted as our customers struggled to understand the implications of COVID-19. This resulted in high levels of utilisation for our platform and ongoing demand for insights products as clients commissioned specific COVID-19 reports.

Isentia also successfully executed business continuity plans including moving the majority of our 1,100 employees to remote working practices. We have been incredibly proud of our team as they delivered our core services to over 3,200 customers with limited disruption while remaining resilient, productive and connected during COVID-19. The People team, led by Chief HR Officer Kelly Young were proactive in informing, training and providing support for all staff in this "new normal" working from home environment.

The NRC decisions in the second half of FY2020 were made against the backdrop of a global pandemic. A prudent and proactive decision to temporarily reduce Board fees and Executive salaries by 20% and 10% respectively, was approved by the Board, for a three-month period from April to June 2020. Isentia benefited from the early implementation of these cost saving measures and the acceleration of existing cost management programs. We have continued to focus on cost discipline and efficient working capital management. From an earnings perspective, our subscription model has proved resilient and there has been limited impact on profitability from the pandemic in FY2020.

Turning to our Executive, James Merritt joined Isentia as Chief Executive, Asia in October 2019, completing the leadership team led by Ed Harrison. During the year, management remained focused on the successful execution of our strategy and the creation of a performance culture that attracts and retains talented people and strengthens leadership and change management capabilities. This year, our remuneration strategy reflects the pandemic as well as the competitive landscape and markets in which we operate. In the NRC's view, the objectives of the current Executive Reward Plan ('ERP') are to provide incentive and rewards for implementing the Company's strategy to transform the core business, accelerate growth in our markets and deliver market-leading and innovative products.

The ERP comprises short-term and long-term components with short-term rewards requiring the achievement of a financial gateway metric. Once the gateway is open a short-term cash component is offered with the purpose to drive, motivate and reward for achievement of specific key performance indicators ('KPIs') in the previous year. These short-term KPIs are aligned with the Company's long-term strategy. KPIs are set using a balanced scorecard based on performance aligned to financial results, growth hurdles and achievement of key business transformation projects and personal goals. In addition to the cash component, a deferred equity component based on the same short-term KPIs, is provided to align our executives with shareholders. We believe it is important that all executives are given the opportunity to earn a level of deferred equity as soon as possible for complete alignment and motivation.

The third component of the ERP comprises a grant of equity rights intended to provide a mechanism to drive longer term growth and retain key talent. These long-term targets are based on Company's growth targets and are aligned with the long-term strategy, ensuring the appropriate balance of efforts with achieving short-term targets. To better align executives with shareholders in FY2020 the ERP was amended so that Long-Term Performance Rights are now measured over a longer period of 3 years with the removal of the escrow.

Directors' Report

The NRC will continue to review and adjust its reward mechanisms as required to ensure that it is driving the Company's strategy and shareholder outcomes. The current remuneration structure is intended to address the expected transformation challenges as the Company continues to turnaround the business. The review of the ERP and its elements will be ongoing with amendments proposed as required. The Company remains open to engaging with all its stakeholders on remuneration and governance-related matters.

On behalf of the Nomination and Remuneration Committee

Fiona Pak-Poy
Chair

24 August 2020
Sydney

Remuneration report (audited)

The primary objective of the remuneration report, which has been audited, is to set out the remuneration for Key Management Personnel ('KMP') and the underlying philosophy and principles that underpin the structure and design of remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:
1. Key management personnel
2. Response to the 2019 remuneration report
3. Principles used to determine the remuneration framework
4. Group performance and link to remuneration
5. KMP remuneration disclosures
6. Service contracts
7. Share-based compensation
8. KMP interests in Isentia securities
9. Other information

1. Key management personnel

KMP are defined as "those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise)".

The following table details the Group's KMP during FY2020.

Director	Role
Doug Snedden	Chairman and Non-Executive Director Executive Chairman
Fiona Pak-Poy	Independent Non-Executive Director
Travyn Rhall	Independent Non-Executive Director
Justin Kane	Non-Executive Director
Abigail Cheadle	Independent Non-Executive Director

Executive KMP	Role
Ed Harrison	Managing Director and Chief Executive Officer
Peter McClelland	Chief Financial Officer

2. Response to 2019 remuneration report

Based on commentary from shareholders and proxy advisors on the 2019 remuneration report the Company reviewed the the Long-Term Performance Rights component of the ERP and amended the period over which performance is measured from two years to three years. The escrow period that applied to shares granted has been removed to accommodate the time extension. This introduced change to the executive remuneration framework is intended to drive better alignment of executives and shareholders' interests in the short and long-term.

3. Principles used to determine the remuneration framework

The Group's remuneration philosophy is to provide a clear link between the Group's strategy, shareholder returns and remuneration awarded. The remuneration structure and policies are designed to help build, retain and motivate Isentia's talented leadership team to deliver growing and sustainable returns for shareholders. The NRC recognises that the performance of the Group depends on the quality of its directors, executives and other KMP.

The objective of the Group's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework seeks to align remuneration with the achievement of strategic objectives and the creation of long-term, sustainable value for shareholders. The NRC ensures remuneration satisfies the following criteria of Australian corporate governance best practice:

- competitiveness and reasonableness;
- acceptability and alignment to shareholders' interests;
- alignment between pay outcomes and both group and individual performance; and
- transparency.

The NRC is responsible for determining and reviewing remuneration arrangements for directors and other KMP. In FY2020, the NRC comprised the five non-executive directors. Whilst the NRC formally constituted only twice in FY2020, NRC updates were a standing agenda item on all scheduled Board meeting agendas and NRC matters were addressed by the Board throughout the financial year. The Chief Executive Officer attends committee meetings by invitation and when management input is required. To ensure there are no conflicts of interest, the Chief Executive Officer is not present during any discussions related to his own remuneration arrangements.

In FY2020, the NRC continued to review the remuneration framework and Executive Reward Plan ('ERP') to ensure it is market competitive and complementary to Isentia's strategic objectives. The overall purpose of the ERP plan is to create growth and equity ownership for executives over time.

In accordance with corporate governance best practice, the remuneration structure for non-executive directors and executives are dealt with separately.

3.1 Non-executive directors' remuneration

Fees provided to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors, as well as the need to attract and retain non-executive directors of a suitable calibre. Non-executive directors' fees and payments are reviewed annually by the NRC. Proactively, considering the extraordinary impacts on business and the economy due to COVID-19, the Board approved a reduction in fees of 20% for each Board member and Chairman. The period for the reduction was three months from April to June 2020.

The NRC may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and consistent with comparable ASX-listed companies. When required, the chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present during any discussions concerning his own remuneration.

Under the Company's constitution the total aggregate remuneration available to non-executive directors remains set at a maximum annual aggregate amount of $900,000. ASX Listing Rules require that any proposed increase to the aggregate non-executive director remuneration cap is subject to shareholder approval. Non-executive director fees were within this approved limit for FY2020 and although an additional non-executive director was appointed in FY2020 the Board did not propose any increase to the fee cap in FY2020 and does not propose any increase to the fee cap in FY2021.

Non-executive director remuneration consists of directors' fees and committee fees only and therefore does not include any link to Group performance. Consistent with good governance principles, the absence of performance-linked remuneration to non-executive directors serves to protect the independence of the directors and ensures that their interests remain properly aligned with those of Isentia's shareholders and not with senior management.

The non-executive directors are reimbursed for expenses incurred in performing their duties as directors of Isentia. The Chairman of the Board attends all committee meetings but does not receive committee fees in respect of his role as member of any committee. Non-executive directors do not receive retirement benefits other than superannuation and they do not participate in any incentive programs.

Whilst non-executive directors are not required under the Company's constitution to hold any shares, a majority of directors have interests in Isentia securities, either directly or indirectly (refer to section 8. KMP interests in Isentia securities'). Holding such securities demonstrates support for the Company and facilitates alignment between directors and long-term shareholder wealth outcomes. In the context of the current shareholdings of the non-executive directors, the NRC does not regard a formal shareholding guideline to be necessary at this time.

If non-executive directors are required to perform services outside of the scope of ordinary duties of a director, the Company may compensate the director for additional responsibilities or workload incurred during the reporting period. There have not been any cases of this during FY2020.

3.2 Executive remuneration overview

Executive compensation includes both fixed and variable pay components. In FY2020, the NRC continued to review the ERP, to ensure both short-term growth and long-term value. The ERP allows a real opportunity for equity to get into the hands of executives in a short period of time after applied performance and service testing. There are growth and stretch targets to maximize the performance, motivation and subsequent reward. Executive measures using a balanced scorecard outline performance aligned to financial results, growth hurdles and achievement of key business transformation projects. With a turnaround strategy and an enthusiastic, experienced executive team the Company has been focused on creating a performance culture that delivers for shareholders, customers and executives alike.

3.2.1 Total fixed remuneration

Total fixed remuneration ('TFR') is set with regard to the skills and responsibilities associated with each executive's role and within the context of external market levels and includes base salary and superannuation. Base salary is paid in cash or other business-related fringe benefits where applicable. TFR is intended to provide benefits which are competitive with equivalent roles in peer companies and are designed to attract and retain high-calibre employees. Superannuation is paid up to the maximum superannuation contribution base.

In April 2020 in the light of the extraordinary and unknown impacts that COVID-19 could have on business and the economy executives agreed to a 10% reduction in base pay. The period for the reduction was three months from 1 April 2020 to 30 June 2020.

The NRC reviews executives fixed pay on an annual basis. Executives are not offered any guaranteed fixed remuneration increases. A review was conducted in FY20 and there were no significant fixed pay increases offered.

3.2.2 Variable remuneration composition

The Executive Reward Plan ('ERP') approved by the Board for FY2020 comprises three components:

- a cash award, based on performance over FY2020 ('Cash');
- an equity award based on performance over FY2020 ('Deferred Equity'); and
- an equity award performance tested over a three year period ('Long-Term Performance Rights').

3.2.3 Key features of executive remuneration

Aspect	Plan rules and comments
Performance Period	The performance period for the assessment of the Cash and Deferred Equity component is the twelve-month period aligned to the financial year ('Performance Period'). Any Cash or Deferred Equity award is pro-rated based on calendar days of participation in the ERP.

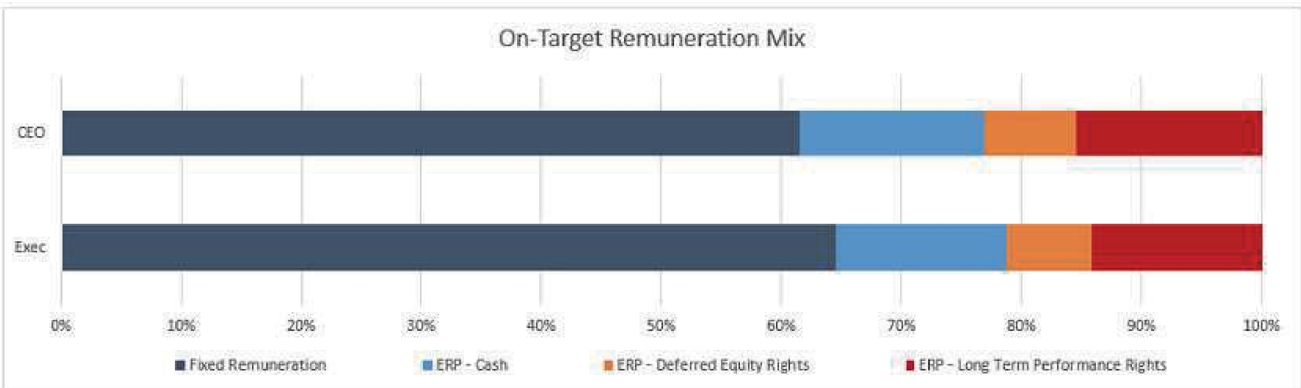
Award Opportunities	The award maximum opportunity under the ERP is 125% of TFR for the Chief Executive Officer and 110% of TFR for all other executives including the Chief Financial Officer. The award opportunity is split into the following proportions: ● up to 40% is available as Cash; ● up to 20% is available as Deferred Equity; and ● 40% is available as Long-Term Performance Rights.
Award of Cash and Deferred Equity	Awards of Cash and Deferred Equity are determined by the Board based on an assessment of performance against a balanced scorecard of performance measures ('KPIs') which include: ● Revenue targets; ● Earnings Before Interest, Tax, Depreciation and Amortisation targets ('EBITDA'); ● Two or three individualized key performance indicators which may include local financial results or achievement of significant initiatives for which the executive is responsible; and ● A holistic appraisal of overall performance and behaviours. KPIs are weighted and combined with performance on each KPI, an overall KPI score out of 100% is obtained, directing the percentage of cash and deferred equity rights components awarded. ● Achievement of the "Stretch" performance targets in all KPI's are required for the award of 100% of potential cash and deferred equity opportunity. ● Achievement of the "Target" performance KPIs results in the award of 50% of the potential cash and deferred equity opportunity. ● Achievement of the "Threshold" performance KPIs results in the award of 25% of the potential cash and deferred equity opportunity. ● Less than threshold performance results in no award. ● The awards for achievement in-between bands is calculated on a pro-rata straight-line basis.
Cash and Deferred Equity Performance Gateway	No cash or deferred equity is awarded unless threshold EBITDA performance is achieved or exceeded.
Deferred Equity Rights	Awards of deferred equity are delivered in the form of rights to acquire fully paid ordinary shares in the Company for nil consideration ('Deferred Equity Rights') under the Company's Long-Term Incentive Plan ('LTI Plan'). The number of Deferred Equity Rights granted are determined on a face value basis by dividing the dollar value of the Deferred Equity awarded by the volume-weighted average price of the Company's shares traded on ASX over the 5 trading days immediately prior to the release of the Company's audited financial report at the end of each financial year, rounded down to the nearest whole number. Grants of Deferred Equity Rights are divided into two equal tranches with respective vesting periods of one year and two years from the applicable grant date. Once granted, ordinarily, no further performance conditions attach to the Deferred Equity Rights other than the executive remaining in the Group's employment at the time of vesting. Shares allocated upon the vesting of a Deferred Equity Right are subject to a further holding or escrow period ending on the date which is two years from the original grant date of the Deferred Equity Right. During the restricted or escrow period the shares granted cannot be sold or otherwise dealt with but have no service or other condition attaching to them.

Award of Long-Term Performance Rights	Long-Term Performance Rights are awarded following the end of a Performance Period. Other than the Board's discretion and continuity of employment with the Group, there are no specific conditions on the grant of the Long-Term Performance Rights. Long-Term Performance Rights are delivered in the form of rights to acquire fully paid ordinary shares in the Company for nil consideration under the LTI Plan if the specified long-term performance conditions ('LTIP Performance Conditions') are met. The number of Long-Term Performance Rights to be allocated to executives are determined on a face value basis by dividing the dollar value of the Long-Term Performance Right awarded by the volume-weighted average price of the Company's shares traded on ASX over the 5 trading days immediately prior to the release of the Company's audited financial report at the end of each financial year, rounded down to the nearest whole number.
LTIP Performance Conditions	Long-Term Performance Rights granted are subject to the following LTIP Performance Conditions: ● a three year performance period on completion of current year (a four year plan in total); ● a service condition (the executive's employment with the Company continues throughout the relevant performance period); and ● testing of the Company's financial performance against an adjusted EBIT growth test over the relevant performance period ('Adjusted EBIT Growth Test'). The Adjusted EBIT Growth Test will be based on the compound annual growth rate (CAGR) of the adjusted EBIT (earnings before interest and taxation), where adjusted EBIT excludes amortisation from acquired intangibles ('Adjusted EBIT').
Vesting of Long-Term Performance Rights	If the LTIP Performance Conditions are met then, subject to the Boards determination as to how many Long-Term Performance Rights will vest, recipients of Long-Term Performance Rights are entitled to receive one share in the Company for every vested Long-Term Performance Right. The percentage of Long-Term Performance Rights vesting will be determined by reference to the relevant Adjusted EBIT CAGR growth as outlined in the table below: Adjusted EBIT* CAGR — % of Rights Vesting Below 5% — 0% Between 5% and 7.5% — Pro-rata from 25% to 50% Between 7.5% and 12.5% — Pro-rata from 50% to 100% Above 12.5% — 100% *Adjusted EBIT excludes amortisation from acquired intangibles.
Grant of Equity Components	The grant of any Deferred Equity Rights or Long-Term Performance Rights to the Chief Executive Officer are conditional on shareholder approval.
Dividends and Rights to Vote	Deferred Equity Rights or Long-Term Performance Rights do not carry any rights to dividends, vote or participate in any new issue of capital.
Clawback Provisions	The Board retains discretion to: ● Reduce or extinguish executives' entitlements to any ERP award offered; and/or ● Lapse, forfeit or require repayment of any award granted (including shares allocated on the vesting of Deferred Equity Rights or Long-Term Performance Rights issued while they remain subject to escrow).

Cessation of Employment	In accordance with the LTI Plan Executives may cease to be entitled to receive all or part of their award and/or all or some of any the Deferred Equity Rights issued if they cease to be employed within the Group depending on the circumstances and timing of the cessation of their employment. If an executive ceases to be employed within the Group due to termination for cause, resignation (or other circumstances determined by the Board) during the Performance Period, or after the end of the Performance Period but before the grant of a component of the ERP, they will not be entitled to receive any awards, unless the Board determines otherwise. If the cessation of employment in these circumstances occurs during the vesting period, unless the Board determines otherwise, executives will, in most circumstances, be entitled to retain the entire cash component of their ERP award but will cease to be entitled to, and will forfeit, all equity components of their ERP award and any Deferred Equity Rights issued to them as part of any equity component of their ERP award will lapse. If the cessation of employment in these circumstances occurs during the escrow period, executives will, in most circumstances, be entitled to retain the entire cash component and any shares that have vested, but the shares will still be subject to the remainder of the escrow period. If an executive ceases to be employed for any reason other than termination for cause or resignation during the performance period, or after the end of the performance period but before the grant of a component of the ERP, in most circumstances (but subject to Board discretion) the executive will be entitled to receive a pro-rata portion of the cash component of their ERP award but will cease to be entitled to receive any of the Deferred Equity Rights components of their ERP award. If the cessation of employment in these circumstances occurs during the vesting period, unless the Board determines otherwise, ordinarily, the executive will be entitled to retain the entire cash component of the ERP award, any deferred equity rights granted, subject to the relevant vesting period and any Long-Term Performance Rights granted, subject to the vesting period and Company performance conditions. Shares allocated on the vesting of Deferred Equity Rights will be subject to the relevant escrow period.
Change of Control Provisions	In a change of control event, subject to Board discretion, all unvested Deferred Equity Rights or Long-Term Performance Rights issued as a component of the ERP will immediately vest and any dealing restrictions imposed by the Board on shares allocated to executives, including escrow, will immediately cease.

3.2.4 Remuneration mix

The mix of fixed and on-target variable remuneration elements is shown below for the executive KMP.



4. Group performance and link to remuneration

4.1 Five-year Group performance

The Groups' FY2016 to FY2020 annual financial performance measures over the past five years is set out below:

	FY2016	FY2017	FY2018	FY2019	FY2020
Revenue $m	156.0	155.1	137.1	122.5	110.3
Underlying EBITDA* $m	51.0	41.5	31.1	23.1	20.9
Total shareholder return ('TSR') (%)	(5.5)	(35.9)	(65.5)	(68.1)	(35.6)
Earnings per share ('EPS') (cents/share)	12.1	(6.8)	0.6	(17.2)	(5.4)
Net profit after tax ('NPAT') $m	24.3	(13.5)	1.3	(34.3)	(10.9)
Staff costs $m	62.8	63.2	60.0	58.2	54.7
Staff costs to revenue ratio (%)	40.3	40.7	43.7	47.5	49.6

* Underlying EBITDA (earnings before interest, income tax expense, depreciation and amortisation) is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit/(loss) under AAS which has been adjusted to eliminate the effects of tax, depreciation and amortisation, fair value adjustments, impairment expenses, loss on disposal of assets and other one-off items including restructuring costs. Underlying EBITDA for FY2020 is exclusive of AASB 16 impact.

Reconciliation between the statutory profit/(loss) and underlying EBITDA is set-out in note 3 to the financial statements.

There have been no returns of capital made or proposed by the Board since the Company was listed in 2014.

4.2 FY2020 Executive reward plan performance measures

Executive KMP performance is measured across a balanced scorecard of key performance indicators aligned to the individual's role. The scorecard takes a broad view of overall performance with clear criteria across a set of team and individual indicators including current financial results, regional results where applicable, achievement of key business transformation projects. An overall assessment of individual achievement, including working to Isentia's values is a part of each Executive KMP's scorecard. Key performance indicators include:

- revenue;
- EBITDA;
- NPAT;
- successful completion of initiatives to transform our products and operations in accordance with our strategy; and
- personal performance to Isentia's values of client obsessed, one team and innovation.

4.3 FY2020 Executive reward plan performance outcomes

The following table shows the balanced scorecard performance outcomes for FY2020 performance for the two executive KMP as represented by the percentage of TFR awarded in the short-term components of the FY2020 ERP, that is Cash and Deferred Equity.

			Award as % of TFR	
KMP Executive	Metric	Performance outcome	Cash	Deferred Equity
Ed Harrison	Revenue EBITDA Personal Performance and KPIs	EBITDA achievement for FY2020 was within the expected ranges as per guidance. Product and operational strategic initiatives executed aligned to transformational plan. Restructuring in Asian markets to drive growth. Mobilising workforce to respond to COVID-19.	16.56% $109,318	8.28% $54,659
Peter McClelland	Revenue EBITDA Personal Performance and KPIs	EBITDA achievement for FY2020 was within the expected ranges as per guidance. Important impacts on capital structure and cash management. Strategic divestitures to enable further transformation.	16.56% $84,946	8.28% $42,473

4.4 One-off payments and awards

There were no one off payments or grants of equity in FY2020.

5. KMP remuneration disclosures

Details of the remuneration for KMP of the Group paid or accrued are set out in the tables below:

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2020	Cash salary and fees[1&2] $	ERP cash settled $	Cash bonus $	Super-annuation $	Long service benefit $	Equity-settled Options $	Equity-settled Rights[3] $	Total $
Non-Executive Directors:								
Doug Snedden	171,000	-	-	16,245	-	-	-	187,245
Fiona Pak-Poy	104,500	-	-	9,928	-	-	-	114,428
Travyn Rhall	95,000	-	-	9,025	-	-	-	104,025
Abigail Cheadle	104,500	-	-	9,928	-	-	-	114,428
Justin Kane	90,250	-	-	-	-	-	-	90,250
Executive Directors:								
Ed Harrison	639,082	109,318	-	21,003	-	-	430,039	1,199,442
Other KMP:								
Peter McClelland	491,857	84,946	-	21,003	-	-	196,294	794,100
	1,696,189	194,264	-	87,132	-	-	626,333	2,603,918

[1] In the light of COVID-19, all non-executive directors took a 20% reduction in their fees for the period of 1 April 2020 to 30 June 2020.

[2] In the light of COVID-19, Ed Harrison and Peter McClelland took a 10% reduction in their base salary for the period of 1 April 2020 to 30 June 2020.

[3] The values for equity-based remuneration have been determined in accordance with AASB 2 'Share-based Payments' and represent the current year amortization of the fair value of rights over the vesting period. The Equity Settled Rights represents the value of rights granted in FY2019 and FY2020, apportioned over the period in line with the respective performance and vesting period.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2019	Cash salary and fees $	ERP cash settled $	Cash bonus[9] $	Super-annuation $	Long service benefit $	Equity-settled Options $	Equity-settled Rights[10] $	Total $
Non-Executive Directors:								
Doug Snedden[1]	192,877	-	-	18,323	-	-	-	211,200
Pat O'Sullivan[2]	41,589	-	-	3,951	-	-	-	45,540
Fiona Pak-Poy	110,000	-	-	10,450	-	-	-	120,450
Geoff Raby[3]	5,479	-	-	521	-	-	-	6,000
Travyn Rhall[4]	94,795	-	-	9,005	-	-	-	103,800
Abigail Cheadle[5]	50,630	-	-	4,810	-	-	-	55,440
Justin Kane[4]	90,055	-	-	-	-	-	-	90,055
Executive Directors:								
Ed Harrison[6]	590,820	104,942	-	18,506	-	-	427,463	1,141,731
Other KMP:								
James Orlando[7]	255,068	-	-	10,688	-	-	-	265,756
Peter McClelland[8]	232,194	37,254	262,500	9,450	-	-	103,253	644,651
	1,663,507	142,196	262,500	85,704	-	-	530,716	2,684,623

1. At Doug Snedden's request the NRC approved the reduction of his director's fees from $200,000 to $180,000 per annum effective 21 February 2019.
2. Pat O'Sullivan retired on 15 November 2018.
3. Geoff Raby retired on 20 July 2018.
4. Travyn Rhall and Justin Kane were appointed on 20 July 2018.
5. Abigail Cheadle was appointed on 14 January 2019.
6. Ed Harrison commenced employment on 6 August 2018.
7. James Orlando ceased employment on 6 January 2019 and received no termination benefits other than statutory entitlements.
8. Peter McClelland commenced employment on 14 January 2019.
9. The amount shown under 'Cash bonus' refers to the amount which was paid under a one-off cash sign-on bonus.
10. The values for equity-based remuneration have been determined in accordance with AASB 2 'Share-based Payments' and represent the current year amortization of the fair value of rights over the vesting period. The Equity Settled Rights represents the value of rights granted in FY2018 and FY2019, apportioned over the period in line with the respective performance and vesting period.

The relative percentage of remuneration of KMP that are linked to performance is set out in the following table:

Name	Fixed remuneration 2020	Fixed remuneration 2019	Remuneration linked to performance 2020	Remuneration linked to performance 2019
Non-Executive Directors:				
Doug Snedden	100%	100%	-	-
Pat O'Sullivan	-	100%	-	-
Fiona Pak-Poy	100%	100%	-	-
Geoff Raby	-	100%	-	-
Travyn Rhall	100%	100%	-	-
Abigail Cheadle	100%	100%	-	-
Justin Kane	100%	100%	-	-
Executive Directors:				
Ed Harrison	55%	53%	45%	47%
Other KMP:				
James Orlando	-	100%	-	-
Peter McClelland	65%	78%	35%	22%

6. Service contracts
Remuneration and other terms of employment for KMP are formalised in service contracts. All executive service contracts provide for immediate termination in the event of serious misconduct. Details of other key terms are summarised below:

Executive KMP	Contract term	Notice period for termination By executive	Notice period for termination By Isentia
Ed Harrison	No fixed term	6 months	6 months
Peter McClelland	No fixed term	3 months	3 months

Minimum shareholding requirement
There is currently no minimum shareholding requirement for KMP under the Company's constitution. The Company seeks to satisfy equity exposure for KMP through the vesting of incentives under the ERP over time, which was one of the reasons for implementing the ERP.

7. Share-based compensation

a. Issue of shares
There were no shares issued to directors or other KMP as part of compensation during the year ended 30 June 2020.

b. Issue of rights to shares

The following KMP will be entitled to the awards of Deferred Equity Rights and Long-Term Performance Rights under the ERP for performance during the year ended 30 June 2020:

Executive KMP	Plan and vesting conditions	Performance start date	Share price at grant date	Maximum monetary value of securities to be issued $
Ed Harrison	FY2020 ERP Deferred Equity Right - Service and non-market condition	01/07/2019	$0.27	54,659
	FY2020 ERP Long-Term Performance Right - Service and performance condition	01/07/2020	$0.27	277,057
Peter McClelland	FY2020 ERP Deferred Equity Right - Service and non-market condition	01/07/2019	$0.29	42,473
	FY2020 ERP Long-Term Performance Right - Service and performance condition	01/07/2020	$0.29	189,388

c. Options

There were no options granted or held by KMP during FY2020.

8. KMP interests in Isentia securities

Shareholding

The number of shares in the Company held during the financial year by each director and other KMP of the Group during the financial year, including related parties, is set out below:

	Balance at the start of the year	Additions	Disposals	Balance at the end of the year
Ordinary shares				
Doug Snedden *	358,000	-	-	358,000
Fiona Jane Pak-Poy *	229,412	-	-	229,412
Travyn Rhall *	800,000	-	-	800,000
Justin Kane*	30,876,369	-	-	30,876,369
Abigail Cheadle	-	-	-	-
Ed Harrison	-	-	-	-
Peter McClelland	-	-	-	-
	32,263,781	-	-	32,263,781

* All are held indirectly.

Rights holding

The number of rights over ordinary shares in the Company held during the financial year by each director and other members of KMP of the Group, including related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Rights					
Ed Harrison	934,494	1,245,292	-	-	2,179,786
Peter McClelland	944,924	437,959	-	-	1,382,883
	1,879,418	1,683,251	-	-	3,562,669

Directors' Report

9. Other information

Use of remuneration consultants
During FY2020, the NRC did not engage any remuneration consultants.

This concludes the remuneration report, which has been audited.

This concludes the directors' report which is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Doug Snedden	Ed Harrison
Chairman	Chief Executive Officer and Managing Director

24 August 2020
Sydney

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Isentia Group Limited
219-241 Cleveland Street
Strawberry Hills
SYDNEY NSW 2012

24 August 2020

Dear Board Members

Isentia Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Isentia Group Limited.

As lead audit partner for the audit of the financial statements of Isentia Group Limited for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D R White

David White
Partner
Chartered Accountants

Isentia FY2020 Financial Statements

Contents

General information

The financial statements cover Isentia Group Limited as a group consisting of Isentia Group Limited (the 'Company' or 'parent entity') and its subsidiaries (collectively referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Isentia Group Limited's functional and presentation currency.

Isentia Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 3
219-241 Cleveland Street
Strawberry Hills NSW 2012

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 August 2020.

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Revenue	4	110,254	122,467
Other income	5	1,998	20
Interest revenue calculated using the effective interest method		46	80
Expenses			
Copyright, consumables and other direct purchases		(24,194)	(29,440)
Employee benefits expense		(54,721)	(58,155)
Amortisation expense	7	(13,331)	(13,116)
Depreciation expense	7	(5,517)	(1,976)
Impairment of assets	7	(10,432)	(40,959)
Loss on disposal of assets		(103)	(188)
Occupancy costs		(1,310)	(5,214)
North Asia exit expenses	6	(2,801)	-
Other expenses		(7,311)	(8,832)
Finance costs	7	(2,700)	(2,233)
Loss before income tax (expense)/benefit		(10,122)	(37,546)
Income tax (expense)/benefit	8	(763)	3,205
Loss after income tax (expense)/benefit for the year attributable to the owners of Isentia Group Limited	27	(10,885)	(34,341)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		170	(234)
Exchange differences on translating foreign operations, net of tax		(215)	1,501
Other comprehensive income for the year, net of tax		(45)	1,267
Total comprehensive income for the year attributable to the owners of Isentia Group Limited		(10,930)	(33,074)
		Cents	**Cents**
Basic earnings per share	40	(5.442)	(17.170)
Diluted earnings per share	40	(5.442)	(17.170)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of Financial Position
As at 30 June 2020

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Assets			
Current assets			
Cash and cash equivalents	9	16,118	14,718
Trade and other receivables	10	17,489	20,600
Income tax refund due		200	147
Prepayments		1,442	1,462
		35,249	36,927
Assets classified as held for sale	11	307	-
Total current assets		35,556	36,927
Non-current assets			
Property, plant and equipment	12	2,439	3,832
Right-of-use assets	13	7,540	-
Intangibles	14	81,183	97,331
Deferred tax assets	15	5,369	3,541
Total non-current assets		96,531	104,704
Total assets		132,087	141,631
Liabilities			
Current liabilities			
Trade and other payables	16	13,727	17,793
Contract liabilities	17	5,006	5,167
Borrowings	18	3,815	3,750
Lease liabilities	20	3,761	597
Current tax liabilities		402	1,621
Provisions	21	7,963	5,428
Contingent consideration	22	-	709
		34,674	35,065
Liabilities directly associated with assets classified as held for sale	23	185	-
Total current liabilities		34,859	35,065
Non-current liabilities			
Borrowings	18	36,735	39,171
Lease liabilities	20	4,654	566
Derivative financial instruments	19	92	335
Deferred tax liabilities	24	7,830	7,126
Provisions	21	245	602
Contingent consideration	22	-	551
Total non-current liabilities		49,556	48,351
Total liabilities		84,415	83,416
Net assets		47,672	58,215
Equity			
Issued capital	25	403,662	403,662
Reserves	26	(249,276)	(249,681)
Accumulated losses	27	(106,714)	(95,766)
Total equity		47,672	58,215

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of Changes in Equity
For the year ended 30 June 2020

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2018	403,662	(251,767)	(61,425)	90,470
Loss after income tax benefit for the year	-	-	(34,341)	(34,341)
Other comprehensive income for the year, net of tax	-	1,267	-	1,267
Total comprehensive income for the year	-	1,267	(34,341)	(33,074)
Transactions with owners in their capacity as owners:				
Share-based payments (note 41)	-	819	-	819
Balance at 30 June 2019	403,662	(249,681)	(95,766)	58,215

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2019	403,662	(249,681)	(95,766)	58,215
Adjustment for the first time adoption of AASB 16 (note 1)	-	-	(63)	(63)
Balance at 1 July 2019 - restated	403,662	(249,681)	(95,829)	58,152
Loss after income tax expense for the year	-	-	(10,885)	(10,885)
Other comprehensive income for the year, net of tax	-	(45)	-	(45)
Total comprehensive income for the year	-	(45)	(10,885)	(10,930)
Transactions with owners in their capacity as owners:				
Share-based payments (note 41)	-	450	-	450
Balance at 30 June 2020	403,662	(249,276)	(106,714)	47,672

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of Cash Flows
For the year ended 30 June 2020

	Note	Consolidated 2020 $'000	Consolidated 2019 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		122,197	135,162
Payments to suppliers and employees (inclusive of GST)		(100,340)	(106,917)
Interest received		46	80
Other revenue		84	17
Interest and other finance costs paid		(2,651)	(2,244)
Income taxes paid		(3,134)	(207)
Net cash from operating activities	39	16,202	25,891
Cash flows from investing activities			
Contingent consideration pay out	30	-	(2,482)
Payments for property, plant and equipment		(737)	(1,165)
Payments for intangibles		(7,840)	(7,094)
Proceeds from disposal of property, plant and equipment		4	-
Proceeds from release of security deposits		95	24
Net cash used in investing activities		(8,478)	(10,717)
Cash flows from financing activities			
Proceeds from borrowings	39	5,000	-
Repayment of borrowings	39	(7,250)	(12,000)
Repayment of lease liabilities excluding the finance component	39	(4,030)	(383)
Net cash used in financing activities		(6,280)	(12,383)
Net increase in cash and cash equivalents		1,444	2,791
Cash and cash equivalents at the beginning of the financial year		14,718	11,927
Cash and cash equivalents at the end of the financial year	9	16,162	14,718

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

The following Accounting Standards and Interpretations adopted during the year are most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

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

	1 July 2019 $'000
Operating lease commitments (net of options) as at 1 July 2019 (AASB 117)	11,800
Operating lease commitments discount based on the weighted average incremental borrowing rate of 3.415%	(807)
Low-value assets leases not recognised as a right-of-use asset	(601)
Lease benefit straight line lease adjustment under the previous accounting standards	(280)
Right-of-use assets	10,112
Lease liabilities - current	(3,246)
Lease liabilities - non-current	(7,209)
Derecognition of lease benefit straight line lease adjustment	280
Reduction in opening retained profits as at 1 July 2019	(63)

The above table excludes finance leases capitalised under the previous accounting standard (AASB 117) with net carrying value of $1,228,000 and a corresponding finance lease liability of $1,163,000 as at the transition date 1 July 2019.

Office equipment and software under finance lease arrangements previously presented within ‘Property, plant and equipment’ and 'Intangibles' of $600,000 and $628,000 respectively are now presented within ‘Right-of-use assets’. There has been no change to the net carrying value at transition date.

The lease liability on leases previously classified as finance leases under AASB 117 and previously presented within 'Borrowings' of $1,163,000 is now presented as ‘Lease liabilities’ . There has been no change in the liability recognised.

Note 1. Significant accounting policies (continued)

Practical expedients applied
In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:
- applying a single discount rate to a portfolio of leases with similar characteristics;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets;
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- not apply AASB 16 to contracts that were not previously identified as containing a lease.
- elect not to assess whether rent concessions received as a result of COVID-19 equates to a lease modification. The short term rent concessions in the form of rent forgiveness or a waiver as a direct consequence, are disclosed as Other Income - rental reliefs in note 5.

IFRIC 23 Uncertainty over Income Tax Treatments
The Group has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires the Group to determine whether uncertain tax positions are assessed separately or as a group; and whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. There are no tax positions where there is uncertainty over income tax treatments in the current year.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention except for contingent consideration and certain financial instruments that are measured at revalued amounts or fair values, as detailed in the accounting policies in this note.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 36.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Isentia Group Limited ('Company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Isentia Group Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Note 1. Significant accounting policies (continued)

The acquisition of common control subsidiaries is accounted for at book value. The acquisition of other subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Isentia Group Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Note 1. Significant accounting policies (continued)

The Group's principal revenue-generating activities involve the provision of media intelligence services to public and private sector clients through media database, media release distribution, media monitoring, social media monitoring, media analysis and content marketing, across Australia, New Zealand and Asia.

From these activities, the Group generates the following streams of revenue:

Software-as-a-service ('SaaS')	The Group has developed and hosts a number of SaaS platforms that provide customers access to time critical and highly relevant information as well as tools to analyse and report on media intelligence.
Value Added Services ('VAS')	The Group provides social media insights and monitoring, customised quantitative and qualitative analysis, and in depth analysis required by customers.

The above services delivered to customers are considered separate performance obligations, even though for practical expedience may be governed by a single legal contract with the customer.

Under AASB 15, revenue from the rendering of services within each of the above revenue streams is recognised as follows.

(i) SaaS:
Revenue is derived from providing customers access to Group platforms and is recognised in accordance with the terms of the contracts provided in the subscription agreement. The SaaS and related support revenue (if any) is recognised over time, being the subscription period, as the customer simultaneously receives and consumes the benefit of accessing the platform.

Access to the platforms is not considered distinct from other performance obligations, such as set-up and support, as access to any platform alone does not allow the customer to obtain substantially all the benefits of the access, and is therefore accounted for as a single performance obligation.

Consideration received can be variable in nature, based upon customer usage in excess of contractually agreed units. The variable consideration is included in the transaction price at the company's best estimate, using either an expected value or most likely outcome, whichever provides the best estimate and is included in revenue to the extent that it is highly probable that there will be no significant reversal of the cumulative amount of revenue when any pricing uncertainty is resolved.

(ii) VAS:
Revenue is recognised upon delivery of customised reports to customers, which represents the point in time where control of the performance obligation is transferred to the customer. The transaction price is fixed for each performance obligation, with no variable revenue associated with this revenue stream.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants
Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants towards staff are recognised as a deduction from the related Employee benefits expenses. The Group has received salaries subsidies from government during COVID-19, as disclosed in note 7.

Apart from above, grants related to income are presented as part of profit or loss, under a general heading of 'other income'.

Note 1. Significant accounting policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Isentia Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime, effective 5 June 2014. Previously the head entity was Isentia Holdings Pty Limited. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 1. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement between 20 and 90 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Cash flow hedges

Cash flow hedges are used to cover the Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Note 1. Significant accounting policies (continued)

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-5 years
Furniture and fittings	3-13 years
Office equipment	3-7 years
Computer equipment	2-3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 1. Significant accounting policies (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer relationships and contracts
Customer contracts purchased or acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of between five and ten years.

Software, research and capitalised development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the internal development and their costs can be measured reliably. These capitalised costs and other software costs, purchased from third parties, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of between two and five years.

Brands
Brands acquired in a business combination are not amortised, on the basis of indefinite life, which is reassessed every year. Instead, brands are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life, such as Brands, are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Note 1. Significant accounting policies (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Variable lease payments include rent concessions in the form of rent forgiveness or a waiver as a direct consequence of COVID-19 and which relate to payments originally due on or before 30 June 2021.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 1. Significant accounting policies (continued)

Other long-term employee benefits

Employee benefits not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, or rights that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model or Monte Carlo Simulation where applicable that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 1. Significant accounting policies (continued)

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Isentia Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 1. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

COVID-19 pandemic

Judgement has been exercised in considering the impacts that COVID-19 has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of COVID-19 pandemic.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of COVID-19 and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 10, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Capitalised development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the internal development and their costs can be measured reliably.

The key judgments relate to:

- Determining the portion of the internal salary and on-costs that are directly attributable to development of the Group’s products and software; and
- Identifying and assessing the technical feasibility of completing the intangible asset and generating future economic benefits.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Such deferred tax assets are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of the deferred tax assets is reviewed at the end of each period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 3. Operating segments

Identification of reportable operating segments

The Group has revised the operating segments from two geographical segments being Australia and New Zealand ('ANZ') and Asia/Rest of the World ('Asia/RoW') to three being Australia and New Zealand ('ANZ'), South East Asia and North Asia due to the decision to exit the North Asia business as described in note 6. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews revenue and underlying EBITDA (earnings before interest, tax, depreciation, amortisation and non-operating costs) for these segments and head office expenses. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

The CODM does not regularly review segment assets and segment liabilities. Refer to statement of financial position for assets and liabilities.

Major customers

There are no major customers that contributed more than 10% of revenue to the Group as at 30 June 2020 and 30 June 2019.

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Note 3. Operating segments (continued)

Operating segment information

Consolidated - 2020	ANZ $'000	South East Asia $'000	North Asia $'000	Head Office $'000	Total $'000
Revenue					
SaaS - recognised over time	58,915	11,449	4,804	-	75,168
VAS - recognised at a point in time	17,476	13,901	3,709	-	35,086
Total segment revenue	76,391	25,350	8,513	-	110,254
Interest revenue					46
Total revenue					110,300
	30,583	6,092	(1,235)	(14,575)	20,865
	232	1,007	944	1,713	3,896
Underlying EBITDA before AASB 16 impact	30,815	7,099	(291)	(12,862)	24,761
AASB 16 adjustment	(490)	(160)	(110)	(92)	(852)
Underlying EBITDA after AASB 16 impact	-	(75)	-	(1,032)	(1,107)
Restructuring costs					
Other	-	-	1,260	-	1,260
Fair value adjustment on contingent consideration	-	(373)	(9,912)	(147)	(10,432)
Impairment of assets	-	-	654	-	654
Other income - customer referral fees	(20)	(22)	(37)	(24)	(103)
Loss on disposal of assets	-	-	(2,801)	-	(2,801)
Exit expenses	30,305	6,469	(11,237)	(14,157)	11,380
EBITDA					(18,848)
Depreciation and amortisation					46
Interest revenue					(2,700)
Finance costs					(10,122)
Loss before income tax expense					(763)
Income tax expense					(10,885)
Loss after income tax expense					

EBITDA represents earnings before interest, income tax expenses, depreciation and amortisation.

Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS which has been adjusted to eliminate the effects of tax, depreciation, amortisation, fair value adjustments, impairment expenses, loss on disposal of assets and other one-off items including restructuring costs. In the prior year, underlying EBITDA has also been adjusted to exclude the impact of exited business and proceeds from legal settlement.

AASB 16 was adopted using the modified retrospective approach on 1 July 2019. As such, the comparatives have not been restated and therefore are not directly comparable.

Prior year - restated presentation
The comparative segment note has been restated accordingly to reflect the revised geographical/reportable operating segments.

Note 3. Operating segments (continued)

Consolidated - 2019	ANZ $'000	South East Asia $'000	North Asia $'000	Head Office $'000	Total $'000
Revenue					
SaaS - recognised over time	69,481	11,027	5,031	-	85,539
VAS - recognised at a point in time	18,157	12,908	5,863	-	36,928
Total segment revenue	87,638	23,935	10,894	-	122,467
Interest revenue					80
Total revenue					122,547
Underlying EBITDA	34,408	4,035	(1,042)	(14,341)	23,060
Restructuring costs	(806)	(188)	(288)	(682)	(1,964)
Other	-	394	-	(647)	(253)
Fair value adjustment on contingent consideration	-	-	-	3	3
Impairment of assets	(38,050)	(2,310)	(599)	-	(40,959)
Loss on disposal of assets	-	(41)	(36)	(111)	(188)
EBITDA	(4,448)	1,890	(1,965)	(15,778)	(20,301)
Depreciation and amortisation					(15,092)
Interest revenue					80
Finance costs					(2,233)
Loss before income tax benefit					(37,546)
Income tax benefit					3,205
Loss after income tax benefit					(34,341)

Note 4. Revenue

	Consolidated 2020 $'000	Consolidated 2019 $'000
Rendering of services	110,254	122,467

Disaggregation of revenue

Refer note 3 operating segments for information relating to revenue from external customers by type of service and geographic region.

Note 5. Other income

	Consolidated 2020 $'000	Consolidated 2019 $'000
Government grants	14	17
Fair value adjustment on contingent consideration (note 30)	1,260	3
Other income - customer referral fees	654	-
Other income - rental relief	70	-
Other income	1,998	20

Note 6. North Asia exit costs

Exit of the North Asia business

Following a strategic review, the Group has decided to exit the loss making North Asian operations due to the poor alignment of this business to the Group's business strategy and the substantial capital investment needed to meet the unique customer requirements to reach scale in this market.

Loss before income tax included the following specific costs relating to the exit of the North Asia business:

	Consolidated 2020 $'000
Other income - customer referral fees	654
Fair value adjustment on contingent consideration	1,260
Impairment of assets	(9,912)
Exit expenses	(2,801)
Tax benefit	482
Net North Asia exit impact on profit or loss	(10,317)

Note 7. Expenses

	Consolidated 2020 $'000	Consolidated 2019 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	412	441
Furniture and fittings	171	143
Office equipment	127	486
Computer equipment	686	906
Property right-of-use assets	3,610	-
Equipment right-of-use assets	381	-
Software right-of-use assets	130	-
Total depreciation	5,517	1,976
Amortisation		
Customer relationships and contracts	7,310	7,623
Acquired software	1,158	1,097
Internally generated software	4,863	4,396
Total amortisation	13,331	13,116

Note 7. Expenses (continued)

	Consolidated 2020 $'000	2019 $'000
Total depreciation and amortisation	18,848	15,092
Impairment		
Goodwill	7,100	18,975
Purchased software	45	301
Internally generated software	201	2,906
Brands	-	18,777
Customer relationships and contracts	2,406	-
Leasehold improvements	44	-
Furniture and fittings	8	-
Office equipment	36	-
Computer equipment	43	-
Property right-of-use assets	549	-
Total impairment	10,432	40,959
Impairment of receivables		
Bad and doubtful debt expense	901	602
Finance costs		
Interest and finance charges paid/payable on borrowings	2,047	2,093
Interest and finance charges paid/payable on lease liabilities	452	-
Loan establishment fee and other facility cost	201	140
Finance costs expensed	2,700	2,233
Net foreign exchange fluctuation		
Net foreign exchange loss	178	37
Leases		
Lease payments	-	4,755
Short-term lease payments	949	-
	949	4,755
Superannuation expense and statutory contribution		
Defined contribution superannuation expense	4,585	4,690
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation*	50,136	53,465

* The Group has received $374,000 of government subsidies in Singapore and Hong Kong during the COVID-19 pandemic in the year ended 30 June 2020 (30 June 2019: nil). It is recognised as a deduction from the Employment benefits expense.

Note 8. Income tax expense/(benefit)

	Consolidated 2020 $'000	Consolidated 2019 $'000
Income tax expense/(benefit)		
Current tax expense	1,541	3,720
Deferred tax - origination and reversal of temporary differences	(596)	(6,818)
Prior year (over)/under	(182)	(107)
Aggregate income tax expense/(benefit)	763	(3,205)
Deferred tax included in income tax expense/(benefit) comprises:		
Decrease in deferred tax assets (note 15)	704	285
Decrease in deferred tax liabilities (note 24)	(1,300)	(7,103)
Deferred tax - origination and reversal of temporary differences	(596)	(6,818)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Loss before income tax (expense)/benefit	(10,122)	(37,546)
Tax at the statutory tax rate of 30%	(3,037)	(11,264)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	3,806	8,227
Effect of tax rates in overseas jurisdictions	319	344
Research and development tax offset	(143)	(405)
Prior year (over)/under	(182)	(107)
Income tax expense/(benefit)	763	(3,205)

	Consolidated 2020 $'000	Consolidated 2019 $'000
Amounts charged/(credited) directly to equity		
Deferred tax assets (note 15)	55	(108)

Note 9. Cash and cash equivalents

	Consolidated 2020 $'000	Consolidated 2019 $'000
Current assets		
Cash on hand	16	18
Cash at bank	16,102	14,700
	16,118	14,718

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	Consolidated 2020 $'000	Consolidated 2019 $'000
Balances as above	16,118	14,718
Cash and cash equivalents - classified as held for sale (note 11)	44	-
Balance as per statement of cash flows	16,162	14,718

Note 10. Trade and other receivables

	Consolidated 2020 $'000	Consolidated 2019 $'000
Current assets		
Trade receivables	16,139	19,172
Less: Allowance for expected credit losses	(771)	(533)
	15,368	18,639
Other receivables	1,561	1,185
Security deposits	560	776
	17,489	20,600

Allowance for expected credit losses
The Group has recognised a loss of $901,000 in profit or loss in respect of impairment of receivables for the year ended 30 June 2020 (2019: loss of $602,000).

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

Consolidated	Expected credit loss rate 2020 %	Expected credit loss rate 2019 %	Carrying amount 2020 $'000	Carrying amount 2019 $'000	Allowance for expected credit losses 2020 $'000	Allowance for expected credit losses 2019 $'000
Not overdue	2.27%	0.98%	11,687	14,566	266	143
0 to 3 months overdue	6.29%	4.27%	3,694	4,047	232	173
3 to 6 months overdue	20.95%	17.39%	560	377	117	66
Over 6 months overdue	78.82%	82.99%	198	182	156	151
			16,139	19,172	771	533

The Group has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to COVID-19. As a result, the calculation of expected credit losses has been revised as at 30 June 2020 and rates have increased in each category up to 6 months overdue.

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2020 $'000	Consolidated 2019 $'000
Opening balance	533	683
Additional provisions recognised	901	602
Receivables written off during the year as uncollectable	(663)	(752)
Closing balance	771	533

Note 11. Assets classified as held for sale

	Consolidated 2020 $'000
Current assets	
Cash and cash equivalents	44
Trade and other receivables	219
Rights-of-use assets	44
	307

Following a strategic review on 26 June 2020, the Group agreed to sell its interest in The Beyond Co. Ltd ('Beyond'), with an initial cash payment of $122,000 and deferred contingent payments over the next three years. The sale is expected to be completed in August 2020. The above assets of $307,000 and liabilities of $185,000 (note 23) of Beyond as of 30 June 2020 are classified as held for sale.

Note 12. Property, plant and equipment

	Consolidated	
	2020 $'000	2019 $'000
Non-current assets		
Leasehold improvements - at cost	2,898	3,116
Less: Accumulated depreciation	(2,092)	(1,963)
Less: Impairment	(42)	-
	764	1,153
Furniture and fittings - at cost	1,387	1,719
Less: Accumulated depreciation	(831)	(1,245)
Less: Impairment	(8)	-
	548	474
Office equipment - at cost	1,412	2,636
Less: Accumulated depreciation	(1,111)	(1,641)
Less: Impairment	(32)	-
	269	995
Computer equipment - at cost	5,987	6,015
Less: Accumulated depreciation	(5,087)	(4,805)
Less: Impairment	(42)	-
	858	1,210
	2,439	3,832

Note 12. Property, plant and equipment (continued)

Reconciliations

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

Consolidated	Leasehold improvements $'000	Furniture and fittings $'000	Office equipment $'000	Computer equipment $'000	Total $'000
Balance at 1 July 2018	1,303	557	1,319	1,449	4,628
Additions	277	63	157	668	1,165
Disposals	(10)	(17)	(5)	(45)	(77)
Exchange differences	24	14	10	44	92
Depreciation expense	(441)	(143)	(486)	(906)	(1,976)
Balance at 30 June 2019	1,153	474	995	1,210	3,832
Additions	41	327	58	311	737
Disposals	(17)	(51)	(9)	(14)	(91)
Reclassification	28	(28)	(16)	53	37
Exchange differences	15	5	4	27	51
Impairment of assets	(44)	(8)	(36)	(43)	(131)
Transfers*	-	-	(600)	-	(600)
Depreciation expense	(412)	(171)	(127)	(686)	(1,396)
Balance at 30 June 2020	764	548	269	858	2,439

* Transferred from finance lease assets to right-of-use assets.

Note 13. Right-of-use assets

	Consolidated 2020 $'000	Consolidated 2019 $'000
Non-current assets		
Property - right-of-use	10,730	-
Less: Accumulated depreciation	(3,468)	-
Less: Impairment	(605)	-
	6,657	-
Equipment - right-of-use	1,170	-
Less: Accumulated depreciation	(785)	-
	385	-
Software - right-of-use	650	-
Less: Accumulated depreciation	(152)	-
	498	-
	7,540	-

The Group leases office premises under agreements of between 1 to 4 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases plant and equipment under agreements of between 1 to 3 years.

The Group leases office equipment under agreements of less than 1 year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Note 13. Right-of-use assets (continued)

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

Consolidated	Property $'000	Equipment $'000	Software $'000	Total $'000
Balance at 1 July 2018	-	-	-	-
Balance at 30 June 2019	-	-	-	-
Adoption of AASB 16 on 1 July 2019 (refer note 1)	9,946	166	-	10,112
Transfers*	-	600	628	1,228
Additions	1,181	-	-	1,181
Lease modifications	(342)	-	-	(342)
Exchange differences	75	-	-	75
Impairment of assets	(549)	-	-	(549)
Reclassifications to held for sale	(44)	-	-	(44)
Depreciation expense	(3,610)	(381)	(130)	(4,121)
Balance at 30 June 2020	6,657	385	498	7,540

* Transferred from finance lease assets to right-of-use assets.

Note 14. Intangibles

	Consolidated 2020 $'000	Consolidated 2019 $'000
Non-current assets		
Goodwill - at cost	85,541	88,243
Less: Accumulated impairment	(30,374)	(25,643)
	55,167	62,600
Customer relationships and contracts - at cost	67,648	76,676
Less: Accumulated amortisation	(62,398)	(62,021)
Less: Accumulated impairment	(2,025)	(1,779)
	3,225	12,876
Purchased software - at cost	11,880	24,937
Less: Accumulated amortisation	(10,765)	(21,860)
Less: Accumulated Impairment	(44)	(300)
	1,071	2,777
Internally generated software - at cost	47,154	39,898
Less: Accumulated amortisation	(22,749)	(17,901)
Less: Accumulated Impairment	(2,685)	(2,919)
	21,720	19,078
Brands - at cost	-	18,777
Less: Accumulated Impairment	-	(18,777)
	-	-
	81,183	97,331

Note 14. Intangibles (continued)

Reconciliations

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

Consolidated	Goodwill $'000	Customer relationships and contracts $'000	Purchased software $'000	Internally generated software $'000	Brands $'000	Total $'000
Balance at 1 July 2018	80,218	20,654	3,520	19,360	18,631	142,383
Additions	-	-	672	7,027	45	7,744
Disposals	-	-	(111)	-	-	(111)
Reclassification	-	-	34	(34)	-	-
Exchange differences	1,357	(155)	60	27	101	1,390
Impairment of assets	(18,975)	-	(301)	(2,906)	(18,777)	(40,959)
Amortisation expense	-	(7,623)	(1,097)	(4,396)	-	(13,116)
Balance at 30 June 2019	62,600	12,876	2,777	19,078	-	97,331
Additions	-	-	134	7,706	-	7,840
Disposals	-	-	(16)	-	-	(16)
Reclassification	-	-	(37)	-	-	(37)
Exchange differences	(333)	65	44	-	-	(224)
Impairment of assets	(7,100)	(2,406)	(45)	(201)	-	(9,752)
Transfers*	-	-	(628)	-	-	(628)
Amortisation expense	-	(7,310)	(1,158)	(4,863)	-	(13,331)
Balance at 30 June 2020	55,167	3,225	1,071	21,720	-	81,183

* Transferred from finance lease assets to right-of-use assets.

Impairment testing

During the financial year, the Group has identified the following indicators of impairment:

- declining asset utilisation for certain identifiable intangibles;
- increased competition in the Australian market; and
- the Group's market capitalisation becoming lower than the carrying value of its net assets.

Impairment testing of the Group's goodwill and intangible assets was performed as at 30 June 2020 and 30 June 2019. As part of this process, management reviewed the recoverability of the carrying value of intangible assets including software, brands and customer relationships. The review of specific asset utilisation has resulted in an impairment charge of $nil (2019: $18,777,000) of brand names, $246,000 (2019: $3,207,000) of software assets and $2,406,000 (2019: $nil) of customer relationships and contracts. These specific assets were identified by management as both no longer being actively used in the business to generate future economic benefits and also do not form part of management's new strategy. Accordingly, these assets have been derecognised as at 30 June 2020 and 30 June 2019.

This year the cash generating units ('CGU') have changed due to the decision to exit the North Asia business as described in note 6. Previously the CGUs were ANZ and Asia however for the current reporting period, the Asia CGU has been split into two CGUs, being South East Asia and North Asia.

Goodwill is tested for impairment at the CGU level, which consists of ANZ, South East Asia and North Asia (2019: ANZ and Asia). This has resulted in an impairment charge of $7,100,000 in respect of goodwill within the North Asia operating segment (2019: $18,975,000 in respect of goodwill within the ANZ operating segment).

Note 14. Intangibles (continued)

Allocation of indefinite life intangible assets
The Group's indefinite life intangible assets are allocated to Group's segments as follows:

	Consolidated 2020 $'000	Consolidated 2019 $'000
Goodwill		
ANZ	34,324	34,359
Asia and Rest of the World ('Asia/RoW')	-	28,241
South East Asia	20,843	-
North Asia	-	-
	55,167	62,600

The recoverable amount of the Group's assets has taken into account the CGU for each operating segment and uses the value in use basis.

The following key assumptions were used in the discounted cash flow model for the different operating segments:

(a) Based on an approved business plan for the next five years from financial years 2020 to 2025.
(b) Terminal growth rates applied are ANZ 2% (30 June 2019: 2%), South East Asia 4%, and North Asia 4% (30 June 2019: Asia/RoW 4%). The terminal value growth rate represents the forecast consumer price index for each segment, combined with Gross Domestic Product growth rate expectations in the geographical segments in which the Group operates.
(c) Weighted average cost of capital post-tax: ANZ 15.5% (30 June 2019: 15.5%) South East Asia 17.5%, and North Asia 17.5% (30 June 2019: Asia/RoW 17.5%). The discount rate represents the underlying cost of capital adjusted for market, country and asset specific risks.

Sensitivity
The revenue and EBITDA forecasted in the approved business plan is a key judgment in management's impairment assessment, and any significant change in achieving these forecasts could lead to an impairment in future periods.

A decrease in net cash flows annually for the next five years that would result in each CGU's recoverable amount falling below its carrying value is as follows: ANZ (decrease of 42.9%) and South East Asia (decrease of 66.2%).

A weighted average cost of capital that would result in each CGU's recoverable amount falling below its carrying value is as follows: ANZ (23.7%) and South East Asia (40.3%).

A terminal growth rate that would result in each CGU's recoverable amount falling below its carrying value is as follows: ANZ (negative 11.9%) and South East Asia (negative 250.7%).

Each of the above sensitivities assumes that a specific assumption moves in isolation, while all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions could be accompanied by a change in another assumption, which may increase or decrease the above percentages.

Note 15. Deferred tax assets

	Consolidated 2020 $'000	Consolidated 2019 $'000
Non-current assets		
Deferred tax assets comprise temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	109	66
Employee benefits	1,234	1,312
Provision for lease make good	46	50
Provision for audit fees	134	105
Accrued lease incentives	-	68
Lease liabilities	2,015	-
Accruals and prepayments	298	273
Unrealised foreign exchange gain/loss	333	316
Intangibles	1,137	1,199
Acquisition costs	18	59
Property, plant and equipment	-	(7)
	5,324	3,441
Amounts recognised in equity:		
Derivative financial instruments	28	100
Foreign currency reserve	17	-
	45	100
Deferred tax assets	5,369	3,541
Movements:		
Opening balance	3,541	3,459
Charged to profit or loss (note 8)	(704)	(285)
Credited/(charged) to equity (note 8)	(55)	108
Adoption of AASB 16 on 1 July 2019	2,007	-
Adjustments to profit or loss - prior year under/over	584	232
Exchange differences	(4)	27
Closing balance	5,369	3,541

Note 16. Trade and other payables

	Consolidated 2020 $'000	Consolidated 2019 $'000
Current liabilities		
Trade payables	3,392	2,817
Accrued expenses	10,069	14,606
Other payables	266	370
	13,727	17,793

Refer to note 29 for further information on financial instruments.

Note 17. Contract liabilities

	Consolidated	
	2020	2019
	$'000	$'000
Current liabilities		
Contract liabilities	5,006	5,167

The Group has applied the practical expedient permitted by AASB 15 to not disclose the transaction price allocated to performance obligations unsatisfied (or partially unsatisfied) as of the end of the reporting period. This is due to contracts typically having an original expected duration of a year or less resulting in amounts that comprise contract liabilities balances at 30 June 2019 being recognised in the revenue during the year and not forming part of contract liabilities balances at 30 June 2020.

Note 18. Borrowings

	Consolidated	
	2020	2019
	$'000	$'000
Current liabilities		
Bank loans	4,000	3,750
Prepaid facility costs	(185)	-
	3,815	3,750
Non-current liabilities		
Bank loans	36,750	39,250
Prepaid facility costs	(15)	(79)
	36,735	39,171
	40,550	42,921

Refer to note 29 for further information on financial instruments.

Assets pledged as security
On 20 December 2019, the Group entered into a fourth amendment and restatement deed with the total bank loans facility of $49,000,000, including amortising facility A1 ($35,000,000), revolving facility A2 ($11,000,000), and multi-option credit facility B ($3,000,000). The bank loans are secured by a fixed and floating charge over the Group's assets. The renewed facility's maturity date is 31 July 2021. Under the amended facility, the Group shall repay principal of $750,000 per quarter, with the first repayment on 31 December 2019. Under the amended facility, the Group repaid $2,250,000 of principal during the year ended 30 June 2020.

On 31 March 2020, the Group entered into a Trade Finance Facility to replace the revolving facility A2.

Under the Trade Finance Facility, the aggregate of all outstanding advances shall not exceed the lesser of:
(a) 80% of the aggregate value of Eligible Trade Receivables listed in the current Debtor Certificate; and
(b) the Limit of $13,000,000

80% of Eligible Trade Receivable is $11,414,000 as at 30 June 2020.

The Group is currently in the process of refinancing its loan facilities.

Note 18. Borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2020 $'000	Consolidated 2019 $'000
Total facilities		
Bank loans	47,164	61,000
Used at the reporting date		
Bank loans	40,750	43,000
Unused at the reporting date		
Bank loans	6,414	18,000

As at 30 June 2020, the remaining facility $6,414,000 includes a $3,000,000 multi-option credit facility, of which $431,000 has been used in the form of bank guarantee. As at 30 June 2019, of the $18,000,000 remaining facility, $1,000,000 relates to bank guarantee facility of which $431,000 has been used.

Note 19. Derivative financial instruments

	Consolidated 2020 $'000	Consolidated 2019 $'000
Non-current liabilities		
Interest rate swap contracts - cash flow hedges	92	335

Refer to note 29 for further information on financial instruments.

Refer to note 30 for further information on fair value measurement.

Note 20. Lease liabilities

	Consolidated 2020 $'000	Consolidated 2019 $'000
Current liabilities		
Lease liability	3,761	597
Non-current liabilities		
Lease liability	4,654	566
	8,415	1,163

Refer to note 29 for further information on financial instruments.

Note 20. Lease liabilities (continued)

Reconciliation
Reconciliation of lease liabilities at the beginning and end of financial year are set out below:

	Consolidated 2020 $'000
Balance at 1 July 2019	1,163
Adoption of AASB 16 on 1 July 2019 (refer Note 1)	10,455
Lease modification	(343)
Additions	1,181
Interest	452
Repayment of lease liabilities*	(4,482)
Exchange differences	95
Reclassification to held-for-sale	(106)
Balance at 30 June 2020	8,415

*In the statement of cash flows payment of interest component of $452,000 is included within operating activities and repayment of lease liabilities (excluding finance cost) of $4,030,000 is including within financing activities.

Note 21. Provisions

	Consolidated 2020 $'000	Consolidated 2019 $'000
Current liabilities		
Employee benefits	5,364	5,428
Restructuring	2,599	-
	7,963	5,428
Non-current liabilities		
Employee benefits	91	138
Deferred lease incentives	-	297
Lease make-good	154	167
	245	602
	8,208	6,030

Deferred lease incentives
The provision represents lease incentives received. The incentives are allocated to profit or loss in such a manner that the rent expense is recognised on a straight-line basis over the lease term.

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Restructuring
The provision represents the estimated costs to restructure the North Asia business following the decision to exit the North Asia market, including severance payments, liquidation professional fees and other associated costs.

Note 21. Provisions (continued)

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2020	Restructuring $'000	Deferred lease incentives $'000	Lease make-good $'000
Carrying amount at the start of the year	-	297	167
Additional provisions recognised	2,599	-	-
Amounts used	-	(297)	(13)
Carrying amount at the end of the year	2,599	-	154

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated	
	2020 $'000	2019 $'000
Employee benefits obligation expected to be settled after 12 months	436	488

Note 22. Contingent consideration

	Consolidated	
	2020 $'000	2019 $'000
Current liabilities		
Contingent consideration	-	709
Non-current liabilities		
Contingent consideration	-	551
	-	1,260

Refer to note 30 for further information on fair value measurement.

Upon the sale of Beyond (note 11), the contingent consideration is no longer payable. As a result, the balance is recognised as an other income in the Statement of profit or loss and other comprehensive income.

Note 23. Liabilities directly associated with assets classified as held for sale

	Consolidated 2020 $'000
Current liabilities	
Trade payables and other payables	65
Lease liability	106
Provision for tax	14
	185

The above liabilities of $185,000 of Beyond as of 30 June 2020 are classified as held for sale. Refer to note 11 for further details.

Note 24. Deferred tax liabilities

	Consolidated 2020 $'000	Consolidated 2019 $'000
Non-current liabilities		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Customer relationships and contracts from acquisition	-	2,121
Internally generated software	5,921	5,005
Rights-of-use assets	1,873	-
Foreign currency translation	36	-
Deferred tax liability	7,830	7,126
Movements:		
Opening balance	7,126	14,229
Credited to profit or loss (note 8)	(1,300)	(7,103)
Adoption of AASB 16 on 1 July 2019	2,004	-
Closing balance	7,830	7,126

Note 25. Issued capital

	Consolidated 2020 Shares	2019 Shares	2020 $'000	2019 $'000
Ordinary shares - fully paid	200,000,001	200,000,001	403,662	403,662

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There was no on-market buy-back of Isentia Group Limited shares.

Note 25. Issued capital (continued)

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short-term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2019 Annual Report.

Note 26. Reserves

	Consolidated	
	2020 $'000	2019 $'000
Foreign currency reserve	6,360	6,575
Hedging reserve - cash flow hedges	(64)	(234)
Share-based payments reserve	2,657	2,207
Capital reserve	(258,229)	(258,229)
	(249,276)	(249,681)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Hedging reserve - cash flow hedges
The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Capital reserve
The reserve is used to recognise contributions from or to Isentia Group Limited and its controlled subsidiaries by shareholders and to recognise the acquisition of non-controlling interest.

Note 26. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency $'000	Hedging $'000	Share-based payment $'000	Capital $'000	Total $'000
Balance at 1 July 2018	5,074	-	1,388	(258,229)	(251,767)
Foreign currency translation	1,501	-	-	-	1,501
Net change in fair value of cash flow hedges	-	(234)	-	-	(234)
Share-based payment	-	-	819	-	819
Balance at 30 June 2019	6,575	(234)	2,207	(258,229)	(249,681)
Foreign currency translation	(215)	-	-	-	(215)
Net change in fair value of cash flow hedges	-	170	-	-	170
Share-based payment	-	-	450	-	450
Balance at 30 June 2020	6,360	(64)	2,657	(258,229)	(249,276)

Note 27. Accumulated losses

	Consolidated 2020 $'000	Consolidated 2019 $'000
Accumulated losses at the beginning of the financial year	(95,766)	(61,425)
Adjustment for the first time adoption of AASB 16 (note 1)	(63)	-
Accumulated losses at the beginning of the financial year - restated	(95,829)	(61,425)
Loss after income tax (expense)/benefit for the year	(10,885)	(34,341)
Accumulated losses at the end of the financial year	(106,714)	(95,766)

Note 28. Dividends

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits

	Consolidated 2020 $'000	Consolidated 2019 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	1,880	541

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 29. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as interest rate contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks and ageing analysis for credit risk.

Market risk

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2020	2019	2020	2019
Consolidated	$'000	$'000	$'000	$'000
US dollars	1,203	1,455	33	2
Singapore dollars	4	-	-	-
Malaysian ringgit	7	-	-	-
Others	2	-	6	49
	1,216	1,455	39	51

The Group had net assets denominated in foreign currencies of $1,177,000 (assets $1,216,000 less liabilities $39,000) as at 30 June 2020 (2019: $1,404,000 (assets $1,455,000 less liabilities $51,000). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 10% (2019: weakened by 10%/strengthened by 10%) against these foreign currencies with all other variables held constant, the Group's loss before tax for the year and equity would have been $118,000 higher/$118,000 lower (2019: $140,000 higher/$140,000 lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last six months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 30 June 2020 was $178,000 (2019: loss of $37,000).

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Note 29. Financial instruments (continued)

As at the reporting date, the Group had the following variable rate cash balances and borrowings:

Consolidated	2020 Balance $'000	2019 Balance $'000
Bank loans	40,750	43,000
Interest rate swaps contracts - cash flow hedges (notional principal amount)	(27,500)	(27,500)
Cash at bank	(16,161)	(14,700)
Net exposure to cash flow interest rate risk	(2,911)	800

An official increase/decrease in interest rates of 50 (2019: 50) basis points would have an adverse/favourable effect on loss before tax of $15,000 (2019: $4,000) per annum based on the net balance.

Derivatives interest rate swap
The Group has entered into interest rate swap contracts with notional/principal value as at 30 June 2020 of $27,500,000 (2019: $27,500,000). The interest rate swap contract hedges the Group's risk against an increase in variable interest rate. The contracts mature on 31 August 2020. The weighted average fixed rate is 2.12%. The swap was 100% effective, i.e. hedging gains or losses were recognised in other comprehensive income and $nil ineffectiveness to profit or loss.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available. As disclosed in note 10, due COVID-19, the calculation of expected credit losses has been revised as at 30 June 2020 and rates have increased in each category up to 6 months overdue.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated 2020 $'000	Consolidated 2019 $'000
Bank loans	6,414	18,000

Of the $6,414,000 remaining facility, $3,000,000 relates to multi-option facility, of which $431,000 has been used for bank guarantees (2019: $431,000 of remaining facility has been used for bank guarantees).

Note 29. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2020	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	3,392	-	-	-	3,392
Other payables	-	266	-	-	-	266
Interest-bearing - variable						
Bank loans	4.81%	5,890	36,900	-	-	42,790
Lease liability	4.54%	4,080	2,652	2,258	-	8,990
Total non-derivatives		13,628	39,552	2,258	-	55,438
Derivatives						
Interest rate swaps net settled	-	92	-	-	-	92
Total derivatives		92	-	-	-	92

Consolidated - 2019	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	2,817	-	-	-	2,817
Other payables	-	370	-	-	-	370
Contingent consideration	-	709	573	-	-	1,282
Interest-bearing - variable						
Bank loans	4.00%	5,396	39,517	-	-	44,913
Interest-bearing - fixed rate						
Lease liability	4.44%	644	468	116	-	1,228
Total non-derivatives		9,936	40,558	116	-	50,610
Derivatives						
Interest rate swaps net settled	-	-	335	-	-	335
Total derivatives		-	335	-	-	335

Note 30. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2020	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Interest rate swap contracts - cash flow hedges	-	92	-	92
Total liabilities	-	92	-	92

Consolidated - 2019	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Interest rate swap contracts - cash flow hedges	-	335	-	335
Contingent consideration	-	-	1,260	1,260
Total liabilities	-	335	1,260	1,595

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Contingent consideration is valued at each reporting date based on the likely settlement amount, discounted to present value. The fair value is determined using the discounted cash flow method. Significant unobservable valuation inputs in relation to contingent consideration include estimated revenue and the discount rate.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Contingent consideration $'000
Balance at 1 July 2018	3,723
Losses recognised in profit or loss	(3)
Exchange differences	22
Contingent consideration payout	(2,482)
Balance at 30 June 2019	1,260
Gains recognised in profit or loss	(1,260)
Balance at 30 June 2020	-

Note 31. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated 2020 $	2019 $
Short-term employee benefits	1,890,453	2,068,203
Post-employment benefits	87,132	85,704
Share-based payments	626,333	530,716
	2,603,918	2,684,623

Note 32. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company, its network firms and unrelated firms:

	Consolidated 2020 $	2019 $
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	312,500	323,000
Other services - Deloitte Touche Tohmatsu		
Tax services	110,250	91,600
Consulting services	125,000	-
	235,250	91,600
	547,750	414,600
Audit services - Deloitte and related network firms - Services provided to International Subsidiaries		
Audit or review of the financial statements	103,299	107,397
Other services - Deloitte and related network firms		
Tax Services	11,641	11,381
	114,940	118,778
Audit services - unrelated firms		
Audit or review of the financial statements	35,726	44,658
Other services - unrelated firms		
Tax compliance services	27,809	14,285
	63,535	58,943

Unrelated firms are for audit firms not related to Deloitte Touche Tohmatsu.

Note 33. Contingent liabilities

	Consolidated 2020 $'000	Consolidated 2019 $'000
Bank guarantees	431	431

Note 34. Commitments

	Consolidated 2020 $'000	Consolidated 2019 $'000
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	220	3,633
One to five years	304	6,788
More than five years	-	46
	524	10,467
Lease commitments - finance		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	-	644
One to five years	-	584
Total commitment	-	1,228
Less: Future finance charges	-	(65)
Net commitment recognised as liabilities	-	1,163

Operating lease commitments includes contracted amounts for office accommodation and office equipment under non-cancellable operating leases expiring within one to six years with, in some cases, options to extend. Contractual escalation clauses have been factored into the commitments disclosed above. On renewal, the terms of the leases are renegotiated.

Finance lease commitments includes contracted amounts for office equipment and purchased software secured under finance leases expiring within one to three years. Under the terms of the leases, the Group has the option to acquire the leased assets for predetermined residual values on the expiry of the leases.

With the application of AASB 16 (note 1), these are now recognised as right-of-use assets (note 13) with corresponding current and non-current lease liabilities (note 20).

The amounts in 2020 represent short term and low-value assets lease commitments under AASB 16 accounting whilst 2019 represents the entire operating lease commitments. Given the adoption of AASB 16 these values are not comparable with the majority of 2020 commitments represented at a discounted value on the balance sheet under lease liabilities (note 20).

Note 35. Related party transactions

Parent entity
Isentia Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 37.

Key management personnel
Disclosures relating to key management personnel are set out in note 31 and the remuneration report included in the directors' report.

Note 35. Related party transactions (continued)

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 36. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2020 $'000	Parent 2019 $'000
Loss after income tax	(11,368)	(66)
Total comprehensive income	(11,368)	(66)

Statement of financial position

	Parent 2020 $'000	Parent 2019 $'000
Total current assets	-	-
Total assets	37,514	48,432
Total current liabilities	-	-
Total liabilities	-	-
Equity		
Issued capital	403,662	403,662
Share-based payments reserve	2,657	2,207
Accumulated losses	(368,805)	(357,437)
Total equity	37,514	48,432

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity and its Australian subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries. Refer to note 38 for further details.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 30 June 2020 and 30 June 2019.

Note 36. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 37. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
Isentia Holdings Pty Limited	Australia	100%	100%
Isentia Finance Pty Limited	Australia	100%	100%
Isentia Pty Limited	Australia	100%	100%
Slice Media Pty Limited	Australia	100%	100%
Media Monitors Pty Limited	Australia	100%	100%
BuzzNumbers Pty Limited	Australia	100%	100%
King Content Pty Ltd	Australia	100%	100%
Isentia Limited	New Zealand	100%	100%
Isentia Group Sdn. Bhd.	Malaysia	100%	100%
Isentia Library Group Sdn. Bhd.	Malaysia	100%	100%
Isentia (M) Sdn. Bhd.	Malaysia	100%	100%
Isentia (Johor Bahru) Sdn. Bhd.	Malaysia	100%	100%
Isentia Pte Limited	Singapore	100%	100%
Isentia Brandtology Pte Limited	Singapore	100%	100%
King Content (SG) Pte Ltd*	Singapore	-	100%
PT Isentia Jakarta	Indonesia	100%	100%
Isentia Vietnam Co. Investment	Vietnam	100%	100%
Isentia Manila Inc.	Philippines	100%	100%
Isentia Monitoring Services (Thailand) Ltd	Thailand	100%	100%
Isentia Bangkok Company Limited	Thailand	100%	100%
Brandtology, Inc.	USA	100%	100%
King Content (USA), Inc	USA	100%	100%
Isentia Limited	Hong Kong	100%	100%
King Content Limited	Hong Kong	100%	100%
Brandtology Co., Ltd	China	100%	100%
Beijing Isentia Information Consulting Co. Limited	China	100%	100%
Shanghai Isentia Consulting Ltd	China	100%	100%
King Content Ltd*	UK	-	100%
Isentia SNC Korea Co. Ltd	South Korea	100%	100%
The Beyond Co., Ltd.	South Korea	51%	51%
Isentia Taiwan Limited	Taiwan	100%	100%

* Have been deregistered within the last 12 months.

Note 38. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Isentia Group Limited
Isentia Holdings Pty Limited
Isentia Finance Pty Limited
Isentia Pty Limited

Note 38. Deed of cross guarantee (continued)

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Isentia Group Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	2020 $'000	2019 $'000
Revenue	66,559	78,266
Other income	9,782	6,953
Copyright, consumables and other direct purchases	(24,089)	(26,013)
Depreciation and amortisation expense	(27,647)	(11,151)
Employee benefits expense	(13,304)	(31,286)
Impairment of assets	(11,736)	(38,050)
Loss on disposal of assets	(24)	(111)
Occupancy costs	(458)	(2,246)
Other expenses	(5,019)	(6,660)
Finance costs	(1,497)	(1,320)
Loss before income tax expense	(7,433)	(31,618)
Income tax expense	(374)	(251)
Loss after income tax expense	(7,807)	(31,869)
Other comprehensive income		
Net change in fair value of cash flow hedges taken to equity, net of tax	170	(234)
Exchange differences on translating foreign operations, net of tax	423	876
Other comprehensive income for the year, net of tax	593	642
Total comprehensive income for the year	(7,214)	(31,227)

Equity - accumulated losses	2020 $'000	2019 $'000
Accumulated losses at the beginning of the financial year	(88,975)	(57,106)
Adjustment for first time adoption of AASB16	(63)	-
Loss after income tax expense	(7,807)	(31,869)
Accumulated losses at the end of the financial year	(96,845)	(88,975)

Note 38. Deed of cross guarantee (continued)

Statement of financial position	2020 $'000	2019 $'000
Current assets		
Cash and cash equivalents	8,693	8,443
Trade and other receivables	8,767	10,339
Prepayments	1,049	699
	18,509	19,481
Non-current assets		
Receivable from subsidiaries	21,025	19,991
Investment in subsidiaries	32,201	43,736
Property, plant and equipment	1,179	2,077
Right-of-use assets	4,926	-
Intangibles	48,933	52,805
Deferred tax assets	4,194	3,236
	112,458	121,845
Total assets	130,967	141,326
Current liabilities		
Trade and other payables	12,891	15,959
Borrowings	3,815	4,347
Lease liabilities	2,153	-
Current tax liabilities	77	929
Provisions	4,713	4,844
Contingent consideration	-	709
	23,649	26,788
Non-current liabilities		
Borrowings	36,735	39,737
Lease liabilities	3,033	-
Derivative financial instruments	92	-
Deferred tax liabilities	10,480	10,087
Provisions	245	602
Contingent consideration	-	551
	50,585	50,977
Total liabilities	74,234	77,765
Net assets	56,733	63,561
Equity		
Issued capital	403,662	403,662
Reserves	(250,084)	(251,126)
Accumulated losses	(96,845)	(88,975)
Total equity	56,733	63,561

Note 39. Cash flow information

Reconciliation of loss after income tax to net cash from operating activities

	Consolidated 2020 $'000	Consolidated 2019 $'000
Loss after income tax (expense)/benefit for the year	(10,885)	(34,341)
Adjustments for:		
Depreciation and amortisation	18,848	15,092
Net loss on disposal of property, plant and equipment	108	188
Share-based payments	450	819
Impairment of assets	10,432	40,959
Other expenses - non-cash	110	30
Net fair value movement on contingent consideration	(1,260)	(3)
Bad and doubtful debt expense	901	602
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,896	1,931
Decrease/(increase) in income tax refund due	(53)	2,126
Increase in deferred tax assets	(1,827)	(82)
Increase in prepayments	(101)	(437)
Decrease in other operating assets	-	40
Increase/(decrease) in trade and other payables	(4,000)	5,568
Decrease in contract liabilities	(161)	(550)
Increase/(decrease) in derivative liabilities	(243)	101
Increase/(decrease) in provision for income tax	(1,205)	1,092
Increase/(decrease) in deferred tax liabilities	704	(7,103)
Decrease in employee benefits	(111)	(213)
Increase in other provisions	2,599	72
Net cash from operating activities	16,202	25,891

Changes in liabilities arising from financing activities

Consolidated	Bank loans $'000	Lease liabilities $'000	Total $'000
Balance at 1 July 2018	54,931	896	55,827
Net cash used in financing activities	(12,000)	(383)	(12,383)
Acquisition of assets by means of finance leases	-	650	650
Other changes	(10)	-	(10)
Balance at 30 June 2019	42,921	1,163	44,084
Net cash used in financing activities	(2,250)	(4,030)	(6,280)
Adoption of AASB 16 on 1 July 2019	-	10,455	10,455
Acquisition of leases	-	1,181	1,181
Reclass to held-for-sale	-	(106)	(106)
Other changes	(121)	(248)	(369)
Balance at 30 June 2020	40,550	8,415	48,965

Note 40. Earnings per share

	Consolidated 2020 $'000	Consolidated 2019 $'000
Loss after income tax attributable to the owners of Isentia Group Limited	(10,885)	(34,341)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	200,000,001	200,000,001
Weighted average number of ordinary shares used in calculating diluted earnings per share	200,000,001	200,000,001

	Cents	Cents
Basic earnings per share	(5.442)	(17.170)
Diluted earnings per share	(5.442)	(17.170)

Nil options over ordinary shares as at 30 June 2020 (2019: 395,908) and 5,646,064 rights as at 30 June 2020 (2019: 2,254,837) have been excluded from the above calculations as they were anti-dilutive.

Note 41. Share-based payments

The Group has a long-term incentive plan ('LTIP') which provides eligible employees with an incentive to work to improve the performance of the Group by granting options or rights to acquire shares.

During the financial year 3,910,787 rights were granted (2019: 2,604,353). The share-based payment expense for the year was $450,000 (2019: $819,000).

Set out below are summaries of options outstanding under the plan:

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
17/11/2016	30/06/2020	$0.00	395,908	-	-	(395,908)	-
			395,908	-	-	(395,908)	-
Weighted average exercise price			$3.47	$0.00	$0.00	$0.00	$3.47

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
19/11/2015	30/06/2019	$3.75	913,289	-	-	(913,289)	-
17/11/2016	30/06/2020	$3.47	733,136	-	-	(337,228)	395,908
			1,646,425	-	-	(1,250,517)	395,908
Weighted average exercise price			$3.63	$0.00	$0.00	$3.67	$3.47

The weighted average share price during the financial year was $0.28 (2019: $0.35).

No options are outstanding as of 30 June 2020. The weighted average remaining contractual life of options outstanding at the end of 2019 was one year.

Note 41. Share-based payments (continued)

Variable and Executive Reward Plan

In the previous financial year, the Group introduced a remuneration framework of an Executive Reward Plan ('ERP') which comprises of short-term measures (including a threshold gateway) and long-term measures. The ERP comprises two short-term components of cash and deferred equity designed to drive, motivate and reward for achievement on specific key performance indicators in the previous year's performance. The third component of the ERP comprises a grant of equity rights intended to provide a mechanism to drive longer term growth and retain talent. These longer term targets are based on stretch targets and are aligned with long-term company strategy. The split between cash and equity components are predetermined at grant date.

During the year, the Group continued to review the ERP, to ensure both short-term growth and long-term value. Some key improvements have been made to the ERP including Long-Term Performance Rights are now measured over a longer period of 3 years with the removal of the escrow.

Set out below are summaries of rights issued under the plan:

2020 Rights issue date	Vesting condition	Share price at issue date	Balance at the start of the year	Issued	Exercised	Expired/ forfeited/ other	Balance at the end of the year
17/12/2018	Service	$0.29	1,309,913	-	-	(375,419)	934,494
14/02/2019	Service	$0.31	944,924	-	-	-	944,924
16/12/2019	Service	$0.27	-	3,910,786	-	(144,140)	3,766,646
			2,254,837	3,910,786	-	(519,559)	5,646,064

2019 Rights issue date	Vesting condition	Share price at issue date	Balance at the start of the year	Issued	Exercised	Expired/ forfeited/ other	Balance at the end of the year
17/12/2018	Service	$0.29	-	1,659,429	-	(349,516)	1,309,913
14/02/2019	Service	$0.31	-	944,924	-	-	944,924
			-	2,604,353	-	(349,516)	2,254,837

For the rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date *	Vesting date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date ($ per $1)
18/12/2019	30/06/2021	$0.27	$0.00	-	-	-	$1.00
18/12/2019	30/06/2022	$0.27	$0.00	-	-	-	$1.00
17/01/2020	30/06/2021	$0.29	$0.00	-	-	-	$1.00
17/01/2020	30/06/2022	$0.29	$0.00	-	-	-	$1.00

* ERP Performance Rights and Deferred Equity are subject to formal grant and in the case of the Chief Executive Officer are subject to shareholder approval. The value applied is for accounting purposes only and the grant date is considered to be the accounting grant date.

Note 42. Events after the reporting period

The impact of COVID-19 is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Note 42. Events after the reporting period (continued)

On 1 July 2020 the first tranche of the FY19 Executive Reward Plan (**FY19 ERP**) Deferred Equity Rights (comprising 299,421 FY19 Deferred Equity Rights) awarded pursuant to the FY19 ERP became eligible for vesting.

On 6 August 2020 the CEO Engagement Rights comprising 934,494 CEO Engagement Rights awarded pursuant to the CEO Engagement Rights Offer became eligible for vesting.

Vesting of all rights are subject to the Board's determination in accordance with the Company's Long-Term Incentive Plan Rules (**LTIP Plan**). Subject to the terms of the applicable rights offer, the LTIP Plan and the Board's determination, vested rights ordinarily entitle the rights holder to the allocation of one ordinary share in the Company. Details of the FY19 ERP and CEO Engagement Rights are set out in the 2019 Remuneration Report.

Any allocation of shares in accordance with the FY19 ERP and the CEO Engagement Rights Offer will occur after the reporting date/release of the FY2020 Financial Report.

On 14 August 2020, the Group completed the sale of its interest in the Beyond Co.Ltd.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 38 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Doug Snedden
Chairman

Ed Harrison
Chief Executive Officer and Managing Director

24 August 2020
Sydney

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the Members of Isentia Group Limited

Report on the Audit of the Financial Report

We have audited the financial report of Isentia Group Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Deloitte.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Capitalised labour development costs As at 30 June 2020, the Group's carrying value of the development costs capitalised as internally generated software totals $21.7 million. This includes $7.7 million attributable to capitalisation of costs in the current financial year as disclosed in Note 14. Judgment is involved in determining whether the labour costs are directly attributable to developing the Group's product suite, and the appropriateness of the costs to be capitalised in accordance with the relevant accounting standards. In addition, the period over which capitalised costs continue to generate economic benefit is a matter of judgment.	Our procedures included, but were not limited to: • Inquiring of department heads involved in product development to understand the process, basis and rationale by which labour costs are capitalised and assessing the design of relevant controls designed to mitigate the identified risk; • Testing on a sample basis, capitalised labour costs through reviewing project budgets and timesheets and holding discussions with staff members outside the finance department; • Challenging management's key assumptions in the labour capitalisation calculation including the treatment and accuracy of employee on-cost percentages; • Testing the mathematical accuracy of management's capitalisation schedule; • Challenging the level of economic benefit generated by products that may be obsolete or discontinued and consequently may be impaired, including assessing the appropriateness of the amortisation period; and • Assessing the appropriateness of the disclosures in Note 14 to the financial statements.
Carrying value of goodwill and intangible assets Goodwill and intangible assets (principally customer relationships and internally generated software) of $81.2 million have been recognised in the consolidated statement of financial position as a consequence of acquisitions in past periods.	In conjunction with our valuation specialists, our procedures included, but were not limited to: • Understanding and assessing management's process for identifying and testing individual intangible assets for impairment;

Management conducts impairment tests annually (or more frequently if impairment indicators exist) to assess the recoverability of the carrying value of goodwill and indefinite useful life intangible assets. This is performed through discounted cash flow models, to determine the higher of value-in-use and fair value less costs to sell.
 	
In the year, management has reassessed their CGU from Australia/New Zealand and Asia to Australia/New Zealand (ANZ CGU), South East Asia (SEA CGU) and North Asia (NA CGU). An impairment charge of $9.9 million was recorded in the NA CGU. Of this impairment charge, $7.1 million was recorded as a reduction to the carrying value of goodwill and $2.0 million against customer relationship and contracts given the business's plan to exit the North Asia business.
 	
As disclosed in Note 14 to the financial statements, there are a number of key estimates made which require significant judgement in determining the inputs into these models which include:
 	
• Revenue growth;
• Operating margins;
• Terminal growth rates;
• Discount rates applied to the projected future cash flows.
	• Assessing management's assessment in relation to the changes in the CGU;
	
	• Assessing the appropriateness of management's allocation of goodwill to each CGU for impairment testing purposes;
	
	• Evaluating the principles and integrity of the models used by management to calculate the value in use of the CGUs to ensure they comply with the relevant accounting standards;
	
	• Assessing, through independent data, the reasonableness of the basis adopted by management in determining the other key inputs and assumptions underlying the calculations in the models including:
	    • Discount rates;
	    • Revenue and EBITDA forecasts; and
	    • Terminal growth rates
	
	• Challenging management with respect to the revenue growth rates and operating margins underlying the cash flow forecasts to determine whether they are reasonable and supportable based on historical performance, management's strategic growth plans for the CGUs, the impact of COVID-19 and other known industry factors;
	
	• Performing sensitivity analysis on the key model inputs and assumptions; and
	
	• Assessing the appropriateness of the disclosures in Note 14 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 24 of the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Isentia Group Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

DR White

David White
Partner
Chartered Accountants
Sydney, 24 August 2020

Shareholder Information

The shareholder information set out below was applicable as at 4 August 2020.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	1,170
1,001 to 5,000	1,777
5,001 to 10,000	653
10,001 to 100,000	1,018
100,001 and over	199
	4,817
Holding less than a marketable parcel	2,243

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
HSBC Custody Nominees (Australia) Limited	47,517,482	23.76
J P Morgan Nominees Australia Pty Limited	10,198,065	5.10
National Nominees Limited	9,547,031	4.77
Mr Benjamin John Haan	7,820,000	3.91
Citicorp Nominees Pty Limited	6,616,197	3.31
BNP Paribas Nominees Pty Ltd < IB AU Noms Retail Client DRP >	4,456,113	2.23
Mrs Goolestan Dinshaw Katrak	3,000,000	1.50
Hatim Taiy Pty Limited	2,900,053	1.45
BNP Paribas Nominees Pty Ltd < Agency Lending DRP A/C >	2,637,433	1.32
Mr Timothy John Eakin	2,390,000	1.19
Neweconomy Com Au Nominees Pty Limited	2,262,193	1.13
Mrs Lisha Lei	2,179,129	1.09
Aust Executor Trustees Ltd	2,131,632	1.07
Moat Investments Pty Ltd	1,802,417	0.90
BNP Paribas Nominees Pty Ltd < IOOF INSMT MGMT LTD DRP >	1,625,000	0.81
Mast Financial Pty Ltd	1,500,000	0.75
Knh Investments (Aust) Pty Ltd	1,319,043	0.66
Mr Kim Bee Tan & Mrs Verna Suat Wah Tan	1,300,000	0.65
Mr Luca Rotter & Ms Jane Louise Abbott	1,300,000	0.65
Custodial Services Limited	1,002,233	0.50
	113,504,021	56.75

Unquoted equity securities
There are no unquoted equity securities.

Shareholder Information

Substantial holders
The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Ordinary shares	
	Number held	% of total shares issued
Spheria Asset Mgt	30,925,427	15.46
Gilead Capital	30,876,369	15.44

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Corporate Directory

Directors	Doug Snedden - Chairman and Independent Non-Executive Director Ed Harrison - Managing Director and Chief Executive Officer Fiona Pak-Poy - Independent Non-Executive Director Travyn Rhall - Independent Non-Executive Director Justin Kane - Non-Executive Director Abigail Cheadle - Independent Non-Executive Director
Company secretary	Jacquie Shanahan - Company Secretary
Notice of annual general meeting	The details of the annual general meeting of Isentia Group Limited are: On 19 November 2020
Registered office	Level 3, 219-241 Cleveland Street Strawberry Hills, NSW 2012 Head office telephone: +61 2 9318 4036
Share register	Link Market Services Limited Level 12, 680 George Street Sydney, NSW 2000 Share registry telephone: 1300 554 474
Auditor	Deloitte Touche Tohmatsu Level 9, Grosvenor Place 225 George Street Sydney, NSW 2000
Bankers	Westpac Banking Corporation Westpac Place, 275 Kent Street Sydney, NSW 2000
Stock exchange listing	Isentia Group Limited shares are listed on the Australian Securities Exchange (ASX code: ISD)
Website	www.isentia.com
Corporate Governance Statement	The Corporate governance statement which was approved at the same time as the Annual Report can be found at https://www.isentia.com/investors/