Appendix 4D

Ansarada Group Limited
Preliminary final report for the half year ended 31 December 2023

Results for announcement to the market

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

Results for announcement to the market	31 December 2023 $'000	31 December 2022 $'000	Up/(down)	Movement %
Net loss after tax from operations	(2,120)	(4,593)	2,473	-54%
Total net loss after tax attributable to members of the Group	(2,120)	(4,593)	2,473	-54%
Revenue from operations	**27,703**	**26,136**	**1,567**	**6%**
Earnings per share (cents)	(0.02)	(0.05)	0.03	-60%

Other Information

No dividends have been declared for the financial period ended 31 December 2023.

Net Tangible Assets	31 December 2023 $'000	31 December 2022 $'000
Net Tangible assets per security (cents)	**0.11**	**0.06**

Explanation of results

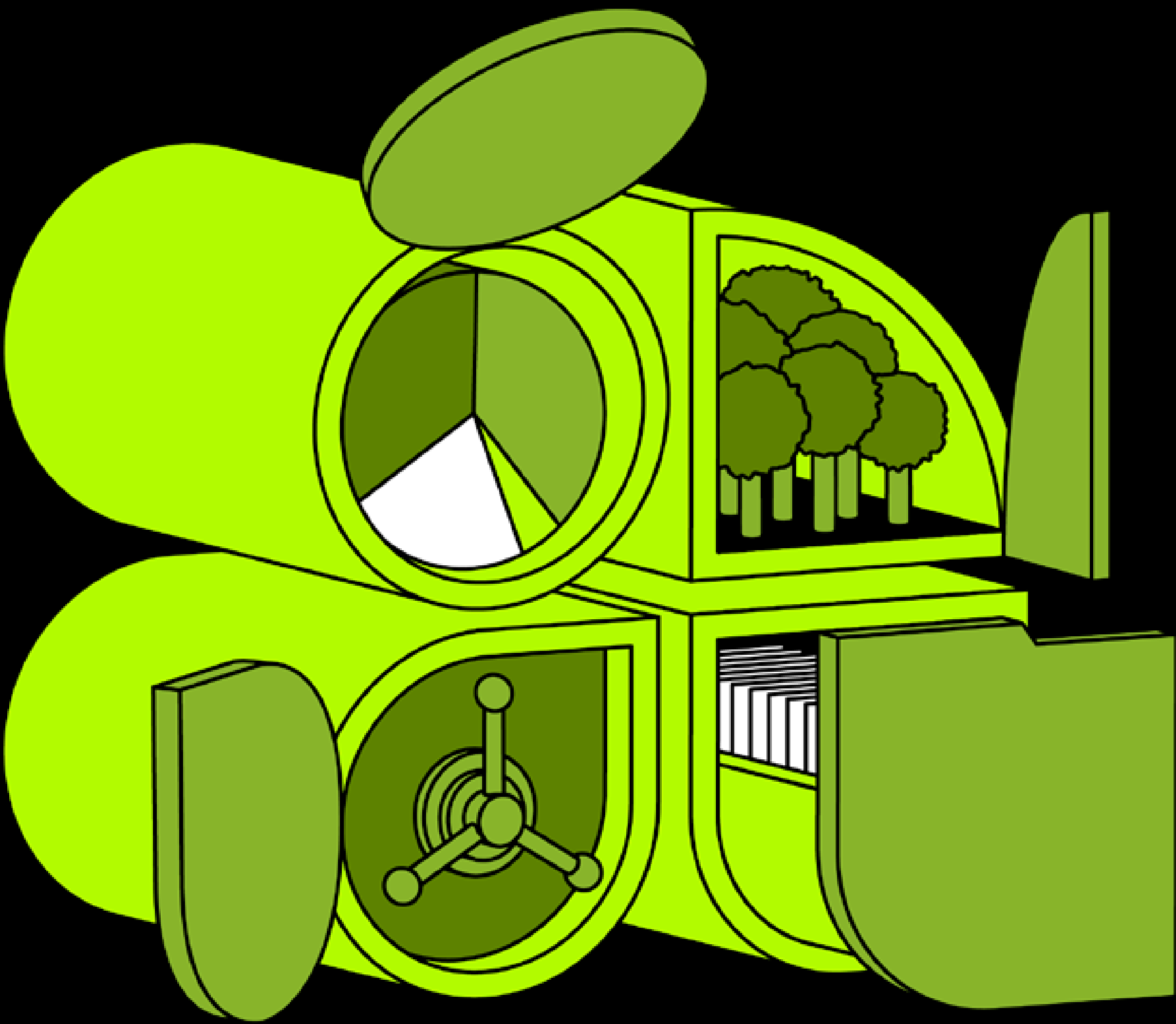
Please refer to the Review of Operations for an explanation of the results.

This report should be read in conjunction with the Consolidated Annual Financial Report of Ansarada Group Limited for the year ended 30 June 2023. This report should also be read in conjunction with any public announcements made by Ansarada in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX listing rules.

This Appendix 4D report is based on the Consolidated Interim Financial Report for the period ended 31 December 2023 that have been reviewed by KPMG.

The information provided in this report contains all the information required by ASX Listing Rule 4.3A.

Half year ended 31 December 2023 Financial Results



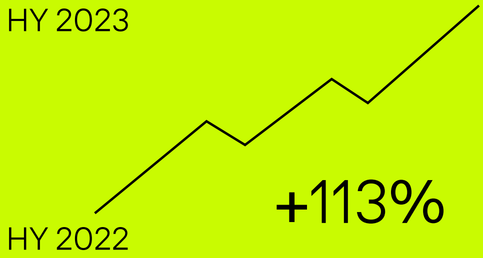
1 Overview

2 Financials

3 Reports

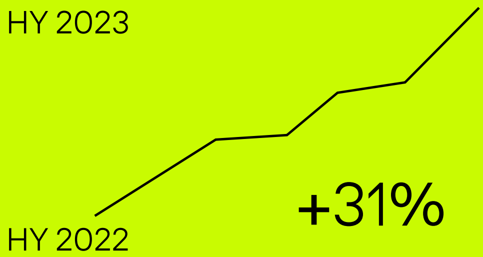
Adjusted EBITA

$5.9M



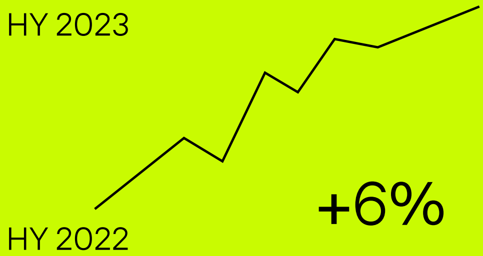
Cash balance

$24.6M



AASB Revenue

$27.7M



Annual Recurring Revenue (ARR)

$11.9M

+7% YOY

Subscribers

2,678

+4% YOY

Average Revenue Per Account

1,485

+15% YOY

Gross Margin

96%

Deferred Revenue

$19.1M

+14% YOY

Customers

13,691

+125% YOY

Directors' Report

The Directors present their report together with the Consolidated Interim Financial Report of the Group comprising of Ansarada Group Limited and its controlled entities (the Ansarada Group or Group), for the half year ended 31 December 2023, and the Independent Auditor's Review Report thereon.

Directors

The Directors of Ansarada Group Limited at any time during the period ended 31 December 2023 and up to the date of this report are as follows.

Mr. Peter James

Chairman

Independent Non-Executive Director
Appointed 4 December 2020

Peter has extensive experience as Chair, Non-Executive Director and Chief Executive Officer across a range of publicly listed and private companies, particularly in emerging technologies, digital disruption, cyber security, e-commerce and media.

Peter is currently Chairman at companies including Droneshield (ASX: DRO) and Macquarie Telecom Group (ASX: MAQ).

Peter is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Computer Society.

Mr. Sam Riley

Chief Executive Officer

Executive Director
Appointed 4 December 2020

Sam co-founded Ansarada and was part of the founding team which built Ansarada from $30k in seed capital.

Sam has 17 years' experience as CEO and has established Ansarada as an employer of choice, having been listed on the top 50 Great Places To Work for 13 years.

Mr. Stuart Clout

Chief Commercial Officer

Non-Executive Director
Appointed 29 October 2014

Stuart is the founder of thedocyard. Prior to founding the thedocyard Stuart practiced as a corporate lawyer both in a large law firm partnership with Colin Biggers & Paisley in Sydney and in-house with the Tesco Group, a Fortune 100 company in London.

Stuart has over 17 years' experience as a corporate transactional lawyer and is an admitted solicitor in both New South Wales and England and Wales. In private practice, Stuart acted for a variety of large private and listed corporate clients, primarily on M&A and transactional matters.

Ms. Nancy Hobhouse

Independent Non-Executive Director
Appointed 12 July 2023

Nancy is a highly respected industry leader in ESG strategy and implementation and GRC. Nancy was the Head of ESG at ERVI (formerly Hermes) where she was responsible for managing the ESG team, the development of new ESG related products and transitioning the organisation to net zero by 2035. In 2023 Nancy won Great British Business women of the year and last year was named as top 100 women in sustainability globally. Prior to this, Nancy was the Senior Sustainability Manager at John Lewis Partnership, where she developed and led the group wide ESG strategy including net zero carbon, end to end climate risk, energy, waste, water and supply chain. Nancy holds Bachelor of Science degrees in Oceanography and Earth System Science, and Oceanography with Geology. Nancy also holds a Masters in Environmental Modelling, Management and Monitoring from King's College London.

Mr. David Pullini

Independent Non-Executive Director
Appointed 4 December 2020

David has advisory experience and general management experience across multiple industries, including technology.

David is currently Principal of Ginostra Capital that actively holds both private and public market investments, together with being Chairman of Humanforce Pty Limited, Director of Vantage Asset Management and Investment Committee Member of Tempus Partners.

01. Officers who were previously partners of the audit firm

None of the Group's officers have been employed as partners of the Group's auditor.

02. Environmental regulation

The Group's operations are not regulated by any significant Commonwealth, State or Territory environmental laws or regulation.

03. Principal activities

Ansarada Group is a global provider of cloud-based SaaS information governance solutions. Ansarada's product is a cloud-based, artificial intelligence ("AI") powered SaaS platform for end-to-end management of material outcomes for businesses throughout their lifecycle. It provides a single interactive system for managing business events and milestones such as raising capital, M&A, post- acquisition integration, audits, asset portfolio management, procure, governance, risk, board and compliance.

04. Dividends

No dividends have been paid or declared for the financial period ended 31 December 2023 (2022: $Nil).

05. Events subsequent to reporting date

On 13 February 2024, Ansarada Group Limited entered a Scheme Implementation Deed with Datasite, an entity owned by funds managed by CapVest, to acquire 100% of the fully diluted share capital in Ansarada by way of a Scheme of Arrangement. Under the terms of the scheme, Ansarada shareholders will be entitled to receive $2.50 cash per share, which implies an equity value of $236.3 million. Implementation of the scheme is subject to Foreign Investment Review Board (FIRB) approval and other customary conditions, including Ansarada shareholder and court approvals. The scheme is a non-adjusting post balance sheet event.

There were no other items, transactions or events of a material or unusual nature that, in the opinion of the Board, are likely to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group that have arisen in the period from 31 December 2023 to the date of this report.

06. Lead auditor's independence declaration

The Lead Auditor's Independence Declaration as required under section 307c of the Corporations Act 2001, is set out on page x and forms part of the Directors' Report for the six months ended 31 December 2023.

07. Rounding off

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

Signed in accordance with a resolution of the Directors:

Dated at 27 February 2024

S Riley | David Pullini

Samuel Riley
Director

David Pullini
Director

Review of Operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the Operating and Financial Review on pages 9 to 23 of this report.

Business Overview

Ansarada Group is a global provider of cloud-based SaaS information governance solutions. Ansarada's product is a cloud-based, artificial intelligence ("AI") powered SaaS platform for end-to-end management of material outcomes for businesses throughout their lifecycle. It provides a single interactive system for managing business events and milestones such as raising capital, M&A, post- acquisition integration, audits, asset portfolio management, procure, governance, risk, board and compliance.

Ansarada enables businesses to monitor information sharing, align, and scorecard individuals and information against outcomes, whilst tracking workflow (via dashboards, notifications, and collaboration tools). The platform enables customers to assess how prepared their business is for an upcoming event and sets out a clear pathway to adhere to in order to optimise the outcome and execute with confidence. It provides tools for good information governance, which increases productivity, enables efficiencies and better decision making. It also ensures compliance and reduces risks across the business lifecycle.

Operating and Financial Review

Principal Activities

Ansarada serves as a leading SaaS platform trusted by renowned corporations, advisors, and government bodies worldwide. Our platform facilitates the oversight of paramount information and processes spanning various domains such as deal and transaction management, procurement, board management, sustainability and governance, risk, and compliance (GRC). By leveraging Ansarada, organisations on a global scale elevate their operational effectiveness, mitigate risk, and make better, well-informed decisions.

Review of Operations

Overview of the Group

The Ansarada Group is a global provider of SaaS information governance solutions that enable businesses to achieve critical outcomes with confidence through the use of secure document management, workflow and collaboration tools.

Ansarada's product suite is cloud-based and artificial intelligence ("AI") powered for end-to-end management of key business events and milestones, including capital raising, M&A, post-acquisition integration, audits, asset portfolio management, governance, risk, board management, compliance, and most recently, environmental, social and governance (ESG) reporting.

With scalable solutions, Ansarada has supported over 37,000 critical events for a global customer base exceeding 13,600 active organisations as at 31 December 2023. Ansarada's customer base comprises medium and large corporates, small businesses, advisory firms, government entities, financial sponsors and GRC professionals. Ansarada's reach extends to 180 countries, with 42% of the Group's $27.7 million half year FY24 revenue generated outside of Australia and New Zealand.

As at 31 December 2023, the Group employed 186 people across its offices located in Sydney, Chicago, London, Amsterdam, Johannesburg and Ho Chi Minh City.

A 17-year history of bringing order

Ansarada's journey began with a focus on deals, as the founders recognised the critical need for structured information and organised processes in high-stakes transactions like M&A and capital raising. Recognising the need for security, controls, insights, and reporting, we developed an industry-leading Deals product that empowers users to excel in managing critical information during transactions. Leveraging our extensive experience from serving customers in 37,000+ critical events, we have expanded our product suite to address challenges in infrastructure procurement, GRC, and most recently, ESG.

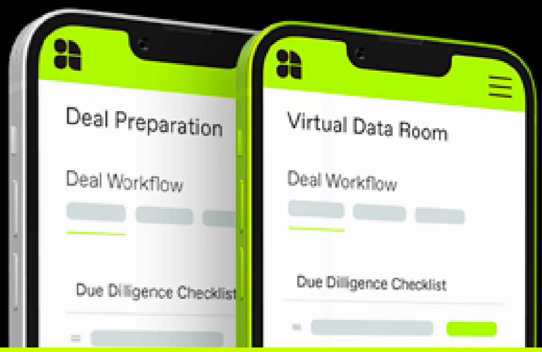
The extensive data and experience from serving customers throughout 37,000+ critical events has been leveraged to design AI and machine learning tools that drive efficiency through automation and simplicity, delivering valuable insights and confidence.

Over the course of 17 years, the company has honed its knowledge and capabilities to develop a best-in-class Deals product that empowers users to excel in managing critical information and processes during a transaction.

Ansarada identified the same challenges in areas such as infrastructure procurement and GRC, where reliance on spreadsheets or legacy systems posed significant risks. This has led to the expansion of their product suite to include Deals, Procure, GRC - and most recently, ESG.

Today, the company is driven by the larger mission of addressing sustainability challenges faced by businesses worldwide. With the sustainability revolution triggering more regulation and increasing demands from all stakeholders, companies are putting their futures at risk. Ansarada firmly believes that structured information and processes are essential for companies to build sustainable foundations, tackle ESG issues and deliver value to stakeholders and the planet. With their expertise, experience, and purpose-built platform, Ansarada is uniquely positioned to tackle this crucial challenge.

Deals



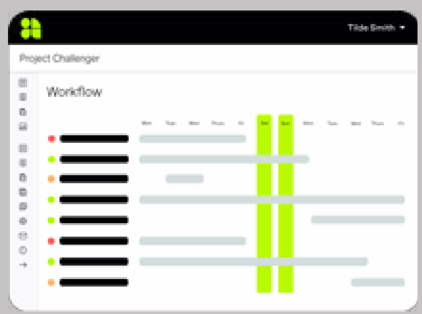
GRC

Procure

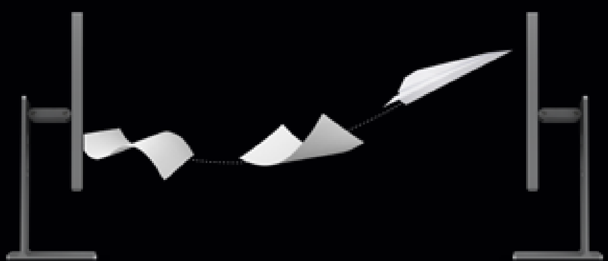
ESG

Board

Workflow



Secure Share



Always

Our portfolio of SaaS governance solutions

Ansarada offers a range of advanced SaaS governance solutions to address critical business needs. Our flagship Deals platform enables secure information sharing, collaboration, and due diligence during transactions, minimising risks and accelerating successful outcomes.

Deals

Our flagship Deals platform enables secure information sharing, collaboration, and due diligence during transactions, minimising risks and accelerating successful outcomes. Ansarada's Deals product is a cloud-based, artificial intelligence ("AI") powered SaaS platform for end-to-end management of material outcomes for businesses throughout their lifecycle. It provides a single interactive system for managing business events and milestones such as raising capital, M&A, post-acquisition integration, audits and asset portfolio management. Ansarada is highly secure and simple to use, it changes how deals are managed by offering a complete solution. It comes with many useful tools like Deal Workflow, AI-powered Data Rooms, Ansarada Q&A, PMI (Project Management Integration), and safe file sharing and storage.

Ansarada enables businesses to monitor information sharing, align, and scorecard individuals and information against outcomes, whilst tracking workflow (via dashboards, notifications, and collaboration tools). The platform enables customers to assess how prepared their business is for an upcoming event and sets out a clear pathway to adhere to in order to optimise the outcome and execute with confidence. It provides tools for good information governance, which increase productivity; enables efficiencies and better decision making; while also ensuring compliance and reducing risks across the business lifecycle.

Procure

Ansarada Procure is a SaaS solution that ensures that complex, high value procurement processes are secure, efficient and fully trackable. With Ansarada Procure, our end-to-end project procurement management platform, we've helped organisations across the world deliver a wide range of infrastructure projects, including public transport, freight rail, toll roads, bridges, ports, stadiums, hospitals, IT systems and broader precinct renewals. Our technology turns security, collaboration, and efficiency of complex procurement management into the natural order for organisations and the people behind them.

GRC

Ansarada GRC is an integrated platform that streamlines governance, risk management and compliance (GRC) processes for organisations of all sizes. This comprehensive solution empowers organisations to align risk and resilience management with business objectives, adapt to changing economic and compliance landscapes, and proactively respond to emerging opportunities. By automating and managing risk and resilience, compliance processes, and more, Ansarada GRC simplifies the complex GRC landscape, providing real-time insights and fostering operational resilience. The platform's centralised approach consolidates functions such as risk and resilience management, compliance tracking, contract management, and incident response, resulting in improved efficiency, effectiveness, and agility in GRC processes.

Ansarada Board is a secure board portal online for preparing and running board meetings, enhancing compliance, risk mitigation and efficiency with functionality to simply set agendas, create board packs, vote, take minutes, assign actions and store files. It allows boards to maintain compliance, mitigate risk and drive efficiency.

In today's challenging business environment, operational resilience is paramount. Ansarada GRC stands as a versatile tool that not only monitors risks but also aids organisations in navigating various disruptions, including cyber threats and pandemics. Through its unified modules, automated processes, and real-time insights, the platform equips organisations to confidently manage GRC complexities, ensuring compliance, mitigating risks, and fostering sustainable growth.

ESG

Ansarada's ESG Pulse Check delivers a gap analysis and benchmarking report to help organisations diagnose their ESG strengths and opportunities and share with stakeholders in a board-ready report. Following on from the ESG Pulse Check, the digitised ESG Materiality Assessment is a tool for identifying an organisation's most pressing material issues from the view of internal and external stakeholders. The resulting report provides essential information for setting an ESG strategy, demonstrating commitment, building trust, increasing credibility, and creating focus and confidence on next steps. Our sustainability management platform transforms the complexities of sustainable practices into a clear and confident path forward. We bring order to the chaos, enabling companies to align with leading sustainability frameworks, deliver impact through innovation, bring people on the journey, and ultimately create long lasting value.

Key characteristics of Ansarada's products include:

Simplicity

Intuitive, fast, mobile compatible and user-friendly

Security

Access and document usage control, full visibility

Automation

AI tools automate processes, deliver insights and intelligence

Confidence

Comprehensive range of reports, activity monitoring

Flexibility

Unlimited data and flexible plans to suit requirement and budget

Collaboration

Workflow management and communication tools, Q&A speed and visibility

Control

Set agendas, create board packs, vote, take minutes, assign actions and store files. Maintain compliance, mitigate risk and drive efficiency

Ansarada delivers its offering without any software plug-ins or downloads, which provides a seamless experience for businesses and advisors.

Product development and continuous improvement at Ansarada is a fundamental pillar in everything it does, which is driven by continuing to be agile, flexible, listening to customers and adopting an iterative approach.

Operating Results

	31 December 2023 $'000	31 December 2022 $'000	Change YOY %
Revenue	27,383	25,858	6%
Other income	320	278	15%
Total revenue and other income	**27,703**	**26,136**	**6%**
Cost of revenue	(1,041)	(1,384)	-25%
Gross profit	**26,662**	**24,752**	**8%**
Gross margin percentage	96%	95%	1%
Product design and development[1]	(5,119)	(6,895)	-26%
Sales and Marketing[2]	(10,969)	(10,475)	5%
General and Administration[2]	(6,183)	(6,253)	-1%
Total operating expenses before depreciation and amortisation, and impairment	**(22,271)**	**(23,623)**	**-6%**
Percentage of operating revenue	80%	90%	-10%
Total operating profit before depreciation and amortisation, and impairment	**4,391**	**1,129**	**289%**
Impairment	(1,231)	(344)	258%
Depreciation and amortisation[3]	(4,762)	(5,064)	-6%
Total operating expenses	**(28,264)**	**(29,031)**	**-3%**
Total operating loss	**(1,602)**	**(4,279)**	**-63%**
Finance income	262	41	539%
Finance expense	(556)	(153)	263%
Net finance Income/(expense)	**(294)**	**(112)**	**163%**
Loss before income tax	**(1,896)**	**(4,391)**	**-57%**
Income tax expense	(224)	(202)	11%
Loss for the period	**(2,120)**	**(4,593)**	**-54%**

	31 December 2023 $'000	31 December 2022 $'000	Change YOY %
Key management non-GAAP financial measures			
Adjusted EBITDA[4]	5,874	2,759	113%
Adjusted EBITDA	**Cents**	**Cents**	**Change YoY%**
Earnings per share (EPS) attributable to owners of Ansarada Group Limited			
Basic earnings per share (cents)	(0.02)	(0.05)	-60%
Diluted earnings per share (cents)	(0.02)	(0.05)	-60%

[1] Excludes depreciation, amortisation and impairment which are included as their own line items in management's adjusted version of results. [2] Excludes depreciation which is included as its own line item in management's adjusted versions of results. [3] Excludes amortisation on contract acquisition assets which is included in Cost of Revenue. [4] Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation ('EBITDA'), excluding non-cash share-based expense, non-cash impairments, capital raising, business combination fees, redundancies expenses and other abnormal one-time costs. Refer to page 22 for the reconciliation of statutory loss for the period to adjusted EBITDA.

During H1 FY24, Ansarada continued to execute its growth and transformation strategy to build a stronger diversified revenue base and increase recurring revenue.

During H1 FY24, Ansarada continued to execute its growth and transformation strategy to build a stronger, more resilient business with greater recurring revenue. Despite challenging macroeconomic conditions, Ansarada delivered strong financial performance and demonstrated the strength of the business.

Ansarada delivered revenue growth of 6% period-on-period contributing to an adjusted EBITDA[4] of $5.9m, an increase of 113% year-on-year, and a cash balance of $24.6m, an increase of 31% year-on-year. Also, Ansarada has seen a 125% increase in customers[5] compared to 31 December 2022 with the Group's freemium strategy driving more customer engagement with the platform, including advisors and corporates, representing an opportunity for future conversion.

Ansarada achieved an revenue milestone of $27.7 million in H1 FY24, an increase of 6% compared to H1 FY23. This increase was the result of successful diversification of revenue streams in Ansarada GRC and Ansarada Procure. The Group's strategic focus on securing larger recurring enterprise contracts contributed to this growth, a revenue stream recognised for its higher quality. Total subscribers[6] numbers increased by 4% to 2,678 as at 31 December 2023 driven by an increase in new wins in Q2 HY FY24.

Ansarada reports a gross profit of $26.7 million for H1 FY24, compared to $24.8 million for H1 FY23. Gross margin has increased by 1% to 96% for the period ended 31 December 2023.

EBITDA increased by $3.3 million, or 295% year-on-year to $4.4 million. This was driven by a 6% increase in revenue through continued growth in annual recurring revenue, and growth in Deals and non-Deals products, a decrease in cost of revenue by 25% and a decrease in operating costs as a percentage of revenue from 90% in H1 FY23 to 80% in H1 FY24. The operating cost reductions are a result of improved operational efficiencies and effective cost management.

Adjusted EBITDA[4], which excludes non-cash share-based expense of $1.5 million ($0.7 million HY FY23), increased by 113%, or $3.1 million to $5.9 million.

Ansarada maintained a solid financial position with a cash balance of $24.6 million and no debt. Total cash inflow from operating activities was $7.6 million, an increase of 2,007% compared to H1 FY23. This was primarily driven by an increase in receipts from customers in line with revenue growth and decrease in cash outflows related to payments to suppliers. Ansarada maintains its commitment to generate positive operating cash flows ensuring the ability to fund our growth.

Depreciation and amortisation of $4.8 million, which is included in operating expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, decreased by $0.3 million, or 6%, compared to H1 FY23. Impairment, which is also included in operating expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, increased by $0.9 million to $1.2 million.

[5]Customers include any subscription/contract with an active platform. Customers may have more than one deal platform, board portal or governance solution open at any given time. Customer numbers include customers acquired through the freemium strategy. [6]Subscriber refers to active subscription contracts/customers at period end.

Revenue

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

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

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

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

Year ended	31 December 2023 $'000	31 December 2022 $'000	% Change
Platform Subscription revenue	23,431	22,163	6%
Transactional revenue	3,952	3,695	7%
Other income	320	278	15%
Total revenue and other income	**27,703**	**26,136**	**6%**
Platform Subscription revenue as a % of total pro forma revenue	**85%**	85%	**0%**
Transaction and other revenue as a % of total pro forma revenue	**15%**	15%	**0%**

Revenue for the half year ended 31 December 2023 was $27.7 million compared to $26.1 million for the half year ended 31 December 2022 an increase of 6%. This increase was primarily driven by a growth in Annual Recurring Revenue and growth in non-deal products[7].

ARR for the period ended 31 December 2023, amounted to $11.9 million, marking an 7% increase from $11.1 million in the previous year[8]. This growth was driven by a 7% increase in ARR subscribers[9] and a net dollar retention rate of 95%. ARR is considered as a higher-quality revenue stream due to its representation of the anticipated annual revenue originating from the company's subscription-based services. This metric provides insights into the stability and predictability of the company's income, reflecting the sustained value derived from ongoing customer subscriptions. The growth in ARR was observed across all core product lines, indicating the ability to retain high-quality customers and cultivate recurring revenue streams in new, less economically sensitive markets. This increase in ARR is a direct outcome of disciplined strategy execution, focused on scaling the business and fostering sustainable growth.

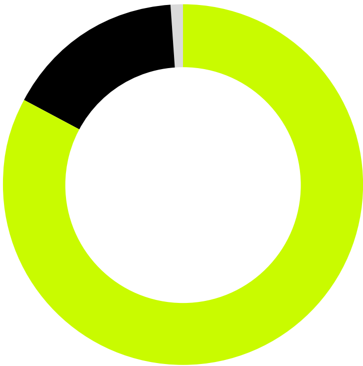
[7]Non-Deal products includes GRC, Procure, Board, ESG and other non-Deal related products. [8] Where we have assessed that an existing customer has moved from being classified as transactional to enterprise, the prior year comparative figure is restated to aid comparability. In the current year, this change predominantly relates to customers on master service agreements that we have assessed meet the definition of enterprise and therefore ARR [9] ARR subscribers refers to the subscribers with an enterprise contract that generate annual recurring revenue. Enterprise subscription is defined as multi-product or multiple use under a single subscription including GRC, some Procure and Deals contracts and Board products. Where the use case is Deals, enterprise would include a single agreement that includes more than 5 associated deal rooms.

Revenue by category
HY FY24

- Subscription Revenue 85%
- Transactional Revenue 14%
- Other Income 1%

Revenue by category
HY FY 23

- Subscription Revenue 85%
- Transactional Revenue 14%
- Other Income 1%



Deferred revenue

As at:	31 December 2023 $'000	30 June 2023 $'000	% Change
Deferred revenue[10]	19,093	17,054	12%

Ansarada's subscription contracts are largely paid upfront, with revenue recognised over the remaining life of the subscription. Deferred revenue represents the contracted revenue to be recognised in coming months and years. Deferred revenue has increased by $2.0 million to $19.1 million, an increase of 12% compared to 30 June 2023. The increase in deferred revenue will drive revenue growth and contribute to increased profitability. As Ansarada provides services over the subscription period, recognising this deferred revenue over time will positively impact the company's financials. The increase also reflects the Company's strategy to target enterprise and infrastructure delivery/procure which typically have longer contract periods and value. Of the $19.1 million deferred revenue, $17.9 million will be recognised in the next 12 months and $1.2 million will be recognised thereafter.

[10]Deferred revenue consists of Platform Subscriptions, Transactional Usage and Base Fees which are expected to be recognised on a straight-line basis over the remaining life of the contract.

Revenue by geography

For the half year ended 31 December 2023, international revenue represented 42% of total group revenue (31 December 2022: 44%).

Revenue from the ANZ region (Australia and New Zealand) demonstrated solid growth, reaching $16.0 million, a 9% increase compared to the previous year. This expansion highlights Ansarada's continued success in its primary market.

In North America, revenue amounted to $2.6 million, showing a slight decline of 5% from the previous year. Despite this decrease, Ansarada remains committed to optimizing its operations in the North American market to regain momentum.

Conversely, revenue from Europe and United Kingdom saw continued growth, reaching $3.5 and $2.9 million, reflecting a 5% and 12% increase respectively.

Revenue by geographic location	31 December 2023 $'000	31 December 2022 $'000	% Change
ANZ (Australia and New Zealand)	16,008	14,651	9%
North America	2,608	2,739	-5%
Asia	1,024	1,426	-28%
Europe	3,536	3,365	5%
Middle East and Africa	1,611	1,353	19%
United Kingdom	2,916	2,602	12%
Total revenue by geographic location	**27,703**	**26,136**	**6%**

Revenue by geography
HY FY24

- ANZ 58%
- Other 42%

Revenue by geography
HY FY 23

- ANZ 56%
- Other 44%

Key performance metrics

	31 December 2023	31 December 2022	% Change
ARR	$11.9m	$11.1m	7%
ARR subscribers	217	203	7%
Customers	13,691	6,092	125%
Total subscribers	2,678	2,575	4%
Annual Revenue Per Account (ARPA)[11]	$1,485	$1,293	15%

Ansarada continued to invest in the e-commerce[12] freemium acquisition channel and improve its key metrics from acquisition to conversion driving record customer numbers. As a result, customers grew 125% to 13,691 compared to HY FY23, with the freemium strategy driving more customers engaging with the platform, including advisors and corporates representing an opportunity for future conversions to paying subscribers.

Total subscribers numbers increased by 4% to 2,678 as at 31 December 2023 driven by an increase in new wins[13] in Q2 HY FY24. The focus on enterprise contracts is also driving a higher proportion of highly recurring revenue with ARR of $11.9 million as mentioned above.

The Group continued to invest in product, sales and marketing to drive a record increase in customers, up 125% compared to HY FY23, with total customer numbers reaching a record 13,691. Our freemium customer acquisition strategy, where customers are able to enter the product with less friction to experience value before conversion to a paid subscriber contributed to the record customer numbers.

The Group's strategy of driving more ARR, defined as multi-product or multiple use under a single subscription including GRC continues to develop with ARR revenue of $11.9 million.

The Group has long standing relationships with many of its customers and the focus on ARR growth resulted in year-on-year ARR growth of 7%. We are continuing to build longer relationships with customers and offering new products and features to broaden the relationship.

Pricing and packaging changes in H1 FY24 contributed to a 15% increase in ARPA[11] to $1,485 per month, which combined with the subscriber growth drove record revenues of $27.7 million.

[11]ARPA represents the average monthly revenue generated from customers on subscription-based contracts (excluding Procure subscriptions).[12] E-commerce customers refers to Customers acquired through the e-commerce channel. [13]A Win represents Ansarada closing a paying subscription/contract customer.

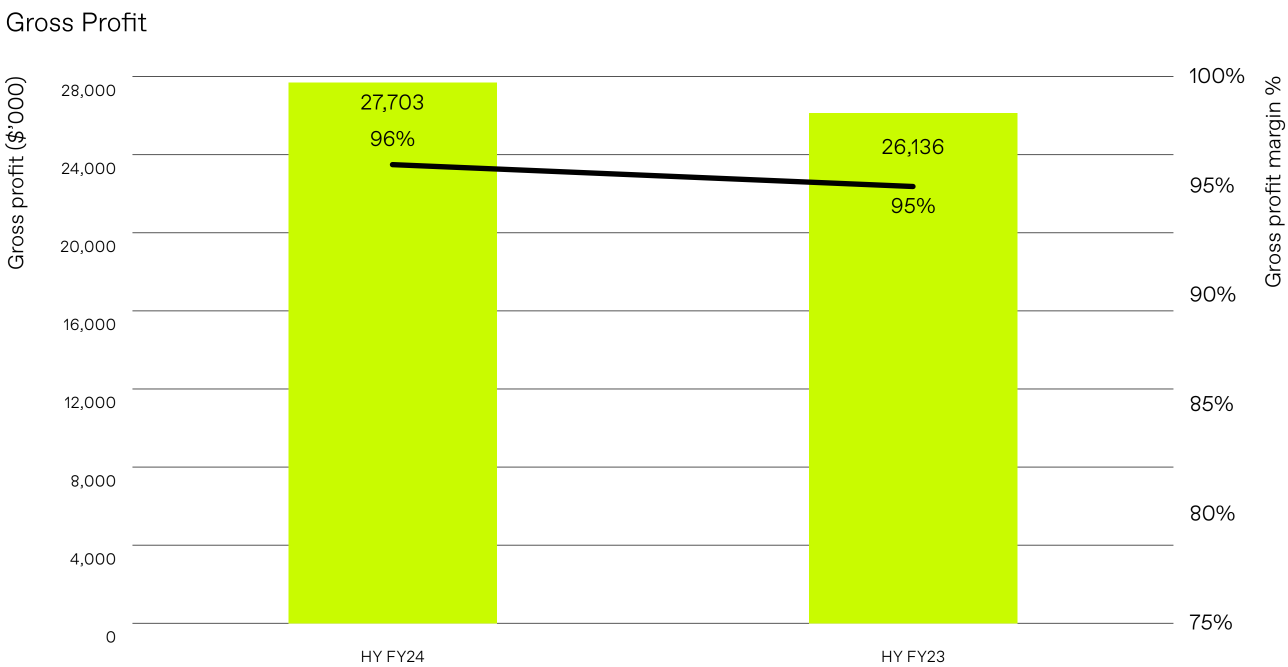
Gross Profit

Gross profit represents operating revenue less the cost of revenue. Cost of revenue primarily relates to sales commissions for sales employees and third-party fees for software used to provide product features and VDR archive expenses.

Year ended	31 December 2023 $'000	31 December 2022 $'000	% Change
Revenue and other income	27,703	26,136	6%
Cost of revenue	(1,041)	(1,384)	-25%
Gross profit	26,662	24,752	8%
Gross profit margin %	96%	95%	1%

Gross profit for the half year ended 31 December 2023 was $26.7 million, which represents an increase of 8% or $1.9 million compared to the half year ended 31 December 2022. Gross profit margin for the half year ended 31 December 2023 was 96% which represents an increase of 1% compared to the half year ended 31 December 2022.

Revenue increased by 6%, while cost of revenue decreased by $0.3 million to $1.0 million, representing a 25% decrease when compared to the same period last year.



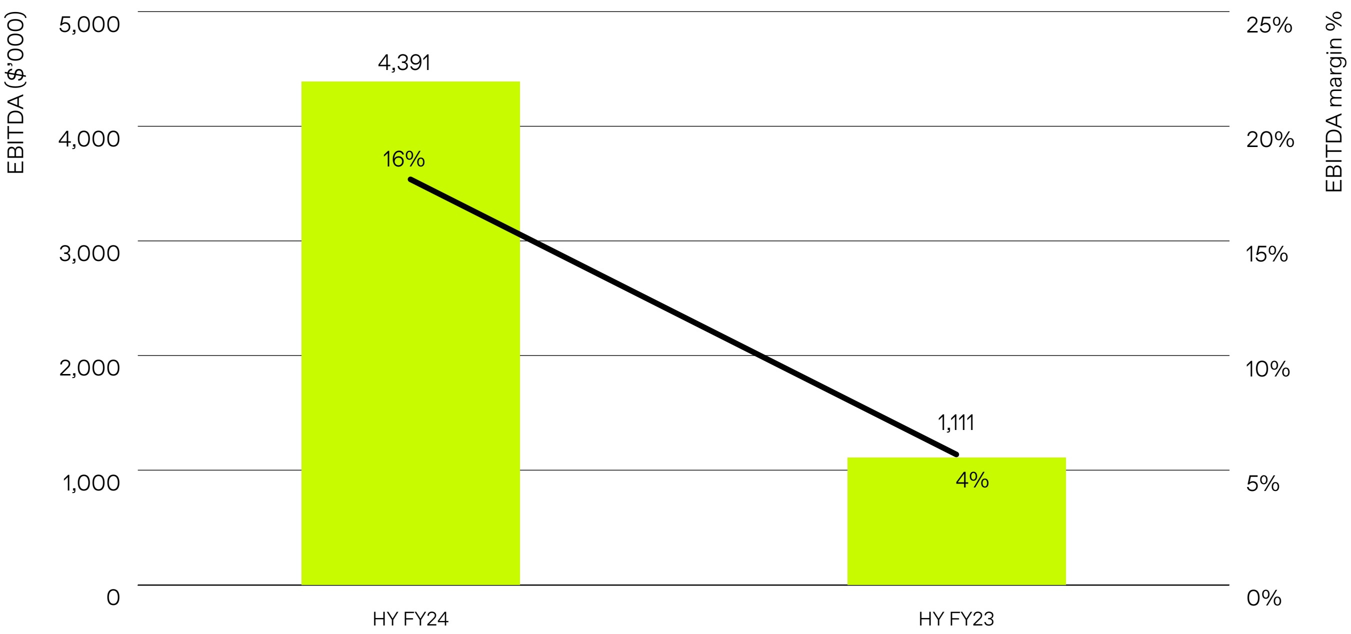
Earnings before interest, tax, depreciation, and amortisation (EBITDA)

Year ended	31 December 2023	31 December 2022	% Change
Loss for the period	(2,120)	(4,593)	-54%
Add back: Current tax expense	224	202	11%
Statutory loss before income tax expense	**(1,896)**	**(4,391)**	**-57%**
Add back: net finance expense	294	112	163%
Add back: depreciation and amortisation expense	4,071	4,658	-13%
Add back: non-cash impairment intangible assets	1,231	344	258%
Add back: depreciation right of use asset	691	388	78%
EBITDA	**4,391**	**1,111**	**295%**
EBITDA margin	**16%**	**4%**	**12%**

EBITDA for the half year ended 31 December 2023 was $4.4 million, which represents an increase of 295% or $3.3 million compared to the half year ended 31 December 2022.

The increase in EBITDA was due to 6% increase in revenue, a decrease in cost of revenue by 25% and a decrease in operating costs as a percentage of revenue from 90% in HY FY23 to 80% in HY FY24 as a result of improved operational efficiencies and effective cost management.

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



Adjusted EBITDA

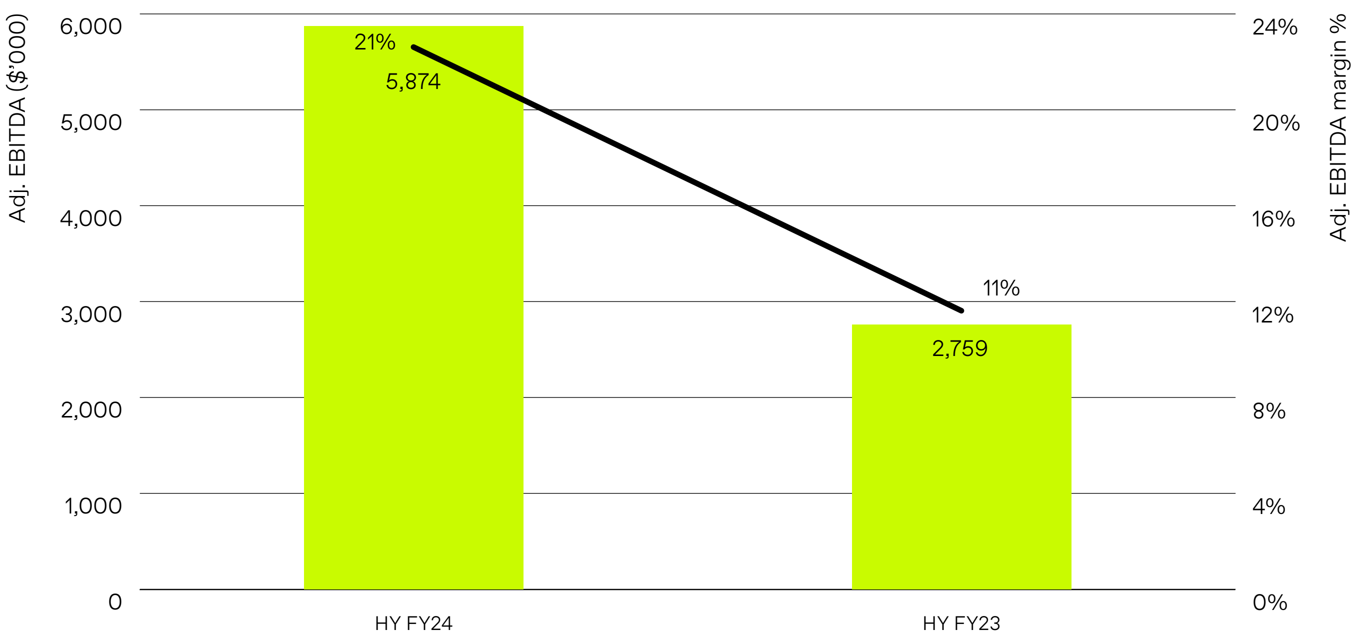
Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation ("EBITDA"), excluding non-cash share-based expense, non-cash impairments, capital raising, business combination fees, redundancies expenses and other abnormal one-time costs. Underlying information, including this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

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

Year ended	31 December 2023	31 December 2022	% Change
Loss for the period	(2,120)	(4,594)	-54%
Add back: Current tax expense	224	202	11%
Statutory loss before income tax expense	**(1,896)**	**(4,392)**	**-57%**
Add back: net finance expense	294	112	163%
Add back: depreciation and amortisation expense	4,071	4,658	-13%
Add back: non-cash impairment intangible assets	1,231	344	258%
Add back: depreciation right of use asset	691	388	78%
Add back: non-cash share-based expense	1,483	723	105%
Add back: restructure payments	–	178	-100%
Add back: One-off consulting costs	–	747	-100%
Adjusted EBITDA	**5,874**	**2,759**	**113%**
Adjusted EBITDA margin	**21%**	**11%**	**10%**

Adjusted EBITDA as a percentage of revenue for the half year ended 31 December 2023 was 21% compared to 11% for the half year ended 31 December 2022. Base EBITDA increased by $3.3 million in HY FY 24 as described above. The remaining increase in adjusted EBITDA of $1.5 million was driven by non-cash share-based expense of $1.5million as Ansarada continues to incentivise key management with long term strategic targets. The increase in non-cash share-based expenses arises from two primary factors: the implementation of new share option plans in H1 FY 24 and the expedited vesting of a Long-Term Incentive (LTI) tranche, driven by the earlier-than-anticipated fulfillment of plan conditions.

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



Continue executing our expansion objectives, growing ARR, self funding growth and improving customer conversion rates.

01

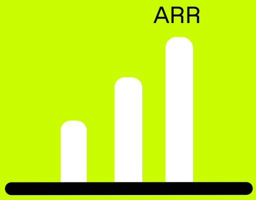
2H Outlook

Strong customer growth, supported by increased deferred revenue, gives confidence of continued performance in 2024.

02

Establish stronger product market fit for ESG and GRC products to capture demand

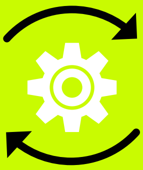
Deliver on our ESG and GRC roadmap to help companies confidently start and improve their sustainability, reduce operational risks and increase the value of their company.



03

Grow ARR

Invest in further scale of what we know is working on product, marketing and sales to generate ARR with our GRC, Procure and Deals products.



04

Increase Operational Efficiency

Continued digitisation and automation of customer journey and our operational processes.

05

Convert freemium customers to paid subscribers

Get more value to freemium customers faster in their journey with less friction.

2.1 Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2023

	Notes	31 December 2023 $000	31 December 2022 $000
Revenue	3	27,383	25,858
Other income	3	320	278
Total revenue and other income		**27,703**	**26,136**
Cost of revenue		(1,041)	(1,384)
Gross profit		**26,662**	**24,752**
Product design and development	5	(10,446)	(11,811)
Sales and Marketing	5	(11,427)	(10,686)
General and Administration	5	(6,391)	(6,534)
Total operating expenses		(28,264)	(29,031)
Operating loss		**(1,602)**	**(4,279)**
Finance income		262	41
Finance expense		(556)	(153)
Net finance expense		**(294)**	**(112)**
Loss before income tax		**(1,896)**	**(4,391)**
Income tax expense	7	(224)	(202)
Loss for the year		**(2,120)**	**(4,593)**
Other comprehensive income			
Items that may subsequently be re-classified to Profit or Loss, net of tax			
Foreign currency translation differences for foreign operations		(27)	59
Total comprehensive loss for the period		**(2,147)**	**(4,534)**

		Cents	Cents
Earnings per share (EPS) attributable to owners of Ansarada Group Limited			
Basic earnings per share (cents)	6	(0.02)	(0.05)
Diluted earnings per share (cents)	6	(0.02)	(0.05)

2.2 Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	31 December 2023 $000	30 June 2023 $000
ASSETS			
Current assets			
Cash and cash equivalents		24,559	21,593
Trade and other receivables	8	7,815	6,859
Other current assets		3,144	3,008
Total current assets		**35,518**	**31,460**
Non-current assets			
Intangible assets	9	35,655	37,932
Property, plant and equipment		645	815
Right of use asset	10	4,304	5,164
Deferred tax asset		3,675	3,675
Total non-current assets		**44,279**	**47,586**
Total assets		**79,797**	**79,046**
LIABILITIES			
Current liabilities			
Trade and other payables	11	(7,692)	(7,499)
Lease liabilities	12	(1,637)	(1,746)
Employee benefits		(1,750)	(1,776)
Current tax liability		(434)	(245)
Deferred revenue	3	(17,871)	(16,240)
Total current liabilities		**(29,384)**	**(27,506)**
Non-current liabilities			
Lease liabilities	12	(3,536)	(4,324)
Employee benefits		(184)	(145)
Deferred revenue	3	(1,222)	(814)
Make good provisions		(294)	(296)
Total non-current liabilities		**(5,236)**	**(5,579)**
Total liabilities		**(34,620)**	**(33,085)**
Net assets/(liabilities)		**45,177**	**45,961**
EQUITY			
Contributed Equity		95,921	95,916
Retained losses		(55,282)	(53,162)
Reserves		4,538	3,207
Total equity		**45,177**	**45,961**

2.3 Consolidated Statement of Changes in Equity

As at 31 December 2023

	Ordinary shares $'000	Treasury shares $'000	Share-based payment reserve $'000	Foreign currency translation reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 July 2023	95,916	(213)	3,212	208	(53,162)	45,961
Total comprehensive income for the period:						
Loss for the period	–	–	–	–	(2,120)	(2,120)
Foreign currency translation differences for foreign operations net of tax	–	–	–	(27)	–	(27)
Total comprehensive loss for the period	**95,916**	**(213)**	**3,212**	**181**	**(55,282)**	**43,814**
Transactions with owners recorded directly in equity						
Exercising of employee share options	5	–	(5)	–	–	–
Share-based payment expense	–	–	1,553	–	–	1,553
Treasury shares acquired	–	(190)	–	–	–	(190)
Treasury shares reissued to employees	–	70	(70)	–	–	–
Balance at 31 December 2023	**95,921**	**(333)**	**4,690**	**181**	**(55,282)**	**45,177**
Balance at 1 July 2022	**95,916**	**(94)**	**1,718**	**(32)**	**(48,116)**	**49,392**
Total comprehensive income for the period:						
Loss for the period	–	–	–	–	(4,593)	(4,593)
Foreign currency translation differences for foreign operations net of tax	–	–	–	59	–	59
Total comprehensive loss for the period	**–**	**–**	**–**	**59**	**(4,593)**	**(4,534)**
Transactions with owners recorded directly in equity	**–**	**–**	**–**	**–**	**–**	**–**
Exercising of employee share options	–	–	–	–	–	–
Share-based payment expense	–	–	723	–	–	723
Treasury shares acquired	–	(219)	–	–	–	(219)
Balance at 31 December 2022	**95,916**	**(313)**	**2,441**	**27**	**(52,709)**	**45,362**

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

2.4 Consolidated Statement of Cash Flows

For the half year ended 31 December 2023

	Notes	31 December 2023 $'000	31 December 2022 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		29,418	27,799
Payments to suppliers and employees (inclusive of GST)		(22,104)	(28,237)
Interest received		262	41
Income tax paid		(5)	–
Net cash inflow/(outflow) from operating activities		**7,571**	**(397)**
Cash flows from investing activities			
Payments for property, plant and equipment		(30)	(66)
Capitalised contracts acquisition costs		(719)	(478)
Capitalised development costs		(2,849)	(2,342)
Net cash outflow from investing activities		**(3,598)**	**(2,886)**
Cash flows from financing activities			
Payments for treasury shares		(190)	(219)
Repayments of lease liabilities		(867)	(528)
Net cash outflow from financing activities		**(1,057)**	**(747)**
Net increase/(decrease) in cash and cash equivalents		**2,916**	**(4,030)**
Cash and cash equivalents at the beginning of the financial period		21,593	22,438
Effect of exchange differences on cash balances		50	287
Cash and cash equivalents at end of period		**24,559**	**18,695**

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

2.5 Condensed Notes to the Consolidated Interim Financial Report

Contents

01. Reporting entity

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

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

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

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

02. Basis of preparation

The Consolidated Interim Financial Report for the six months ended 31 December 2023 has been prepared in accordance with Accounting Standard *AASB* 134 *Interim Financial Reporting* and the *Corporations Act* 2001. The Consolidated Interim Financial Report also comply with International Financial Reporting Standards (IFRS) and interpretations [IFRICs] adopted by the International Accounting Standards Board. They were authorised for issue by the Board of Directors on 27 February 2024.

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

The Consolidated Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 June 2023 and any public announcements made by Ansarada Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act* 2001.

There have been no changes to the Group’s accounting policies from the Annual Financial Report for the year ended 30 June 2023.

03. Revenue

Accounting policy

Revenue recognition

Significant accounting policy

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

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

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

Platform subscription fees

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

Transactional usage fees

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

Other income

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

Revenue and other incomes	31 December 2023 $'000	31 December 2022 $'000
Platform subscription fees	23,431	22,163
Transactional usage fees	3,952	3,695
Total revenue	**27,383**	**25,858**
Other income	320	278
Total revenue and other income	**27,703**	**26,136**

Deferred revenue

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

Total Deferred revenue	31 December 2023 $'000	30 June 2023 $'000
Current deferred revenue	17,871	16,240
Non-current deferred revenue	1,222	814
Total	**19,093**	**17,054**

Contract balances

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

	31 December 2023 $'000	30 June 2023 $'000
Receivables which are included in Trade and other receivables	**7,497**	**6,355**

04. Segment information

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

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

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

Disaggregation of revenue

Revenue by geographic location	31 December 2023 $'000	31 December 2022 $'000
ANZ (Australia and New Zealand)	16,008	14,651
North America	2,608	2,739
Asia	1,024	1,426
Europe	3,536	3,365
Middle East and Africa	1,611	1,353
United Kingdom	2,916	2,602
Total revenue by geographic location	**27,703**	**26,136**

05. Expenses

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

Cost of revenues

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

Product design and development expenses

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

Sales and marketing expenses

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

General and administration expenses

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

Overhead allocation

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

Expenses by nature

	31 December 2023 $'000	31 December 2022 $'000
Employee benefits		
Included in functional expenses as follows:		
Sales and marketing expenses	6,906	6,403
Product design and development expenses	2,842	3,756
General and administration expenses	3,966	3,971
Total	**13,714**	**14,130**
Depreciation and amortisation		
Relating to:		
Amortisation of Software - Platform, Mobile Applications and Customer Contracts and Relationships (note 9)	3,788	4,437
Amortisation of contract acquisition assets (note 9)	718	677
Depreciation of property, plant and equipment	283	218
Depreciation of leased buildings (note 10)	691	409
Impairment of Capital WIP (note 9)	1,231	344
Total Depreciation, amortisation and impairment	**6,711**	**6,085**

	31 December 2023 $'000	31 December 2022 $'000
Included in functional expenses as follows:		
Sales and marketing expenses	458	211
Product design and development expenses	5,327	4,916
General and administration expenses	208	281
Cost of revenue	718	677
Total Depreciation, amortisation and impairment	**6,711**	**6,085**

06. Earnings per share (EPS)

The calculation of basic EPS for the half year ended 31 December 2023 was based on the loss attributable to ordinary shareholders of $2.1 million loss (December 2022: $4.6 million loss) and a weighted average number of ordinary shares outstanding of 89,336,869 (December 2022: 88,896,797).

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

Calculation of earnings per share

Basic earnings per share

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

Diluted earnings per share

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

	31 December 2023 $'000	31 December 2022 $'000
a. Basic earnings per share		
Total earnings per share from continuing operations attributable to ordinary equity holders of the Company	(0.02)	(0.05)
b. Diluted earnings per share		
Total diluted earnings per share from continuing operations attributable to ordinary equity holders of the Company	(0.02)	(0.05)
c. Reconciliation of earnings used in calculating earnings per share		
Net loss for the year from continuing operations attributable to the ordinary equity holders of the Company	(2,120)	(4,593)
Basic and diluted earnings	(2,120)	(4,593)
d. Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic earnings per share		
Basic earnings per share	**89,336,869**	**88,896,797**
Diluted earnings per share	**104,890,916**	**91,260,069**

07. Current and deferred income tax

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

Income taxes	31 December 2023 $'000	31 December 2022 $'000
Current tax expense	224	202
Deferred tax expense	–	–
Income tax expense recognised in consolidated statement of profit or loss	**224**	**202**

08. Trade and other receivables

Trade receivables

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

Impairment

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

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

	31 December 2023 $'000	30 June 2023 $'000
Trade receivables	7,704	6,701
Provision for impairment of receivables	(207)	(346)
Trade receivables (net of provision for impairment)	7,497	6,355
Supplier deposits and other receivables	318	504
Total trade and other receivables	**7,815**	**6,859**

09. Intangible assets

Software development – internally generated intangible assets

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

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

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

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

Contract acquisition costs

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

Useful lives of intangible assets

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

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

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

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

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

Impairment considerations

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

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

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

Management have performed an impairment review of its intangibles assets as at 31 December 2023. As part of the review, it was identified that $1.2m of assets which are categorised as Software Platform are impaired. The impairment loss was recognised within Product Design and Development in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Goodwill and goodwill impairment testing

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

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

The Group's goodwill balance consists of $0.7 million of goodwill recognised on the acquisition of Ansarada Vietnam Limited in March 2022, $4.5 million of goodwill recognised on the acquisition of TriLine GRC Pty Ltd in October 2021, and $17.2 million of goodwill recognised on the acquisition of Ansarada Group Limited in December 2020.

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

- TriLine GRC CGU;
- Ansarada CGU

The Group performed its annual impairment test in June 2023 and estimated the recoverable amount of the CGU's based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the CGU's were disclosed in the annual consolidated financial statements for the year ended 30 June 2023. The Group has performed an assessment to review for indicators of impairment for the purpose of the consolidated interim financial report for the period ending 31 December 2023. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2023, the Group has concluded that there are no indicators of impairment of goodwill.

Notes to the Condensed Consolidated Interim Financial Report (continued)

6 months to 31 December 2023	Software Platform $'000	Customer contracts and relationships $'000	Mobile Applications $'000	Capital WIP $'000	Goodwill $'000	Contract Acquisition on Costs $'000	Total $'000
Cost							
Opening balance	67,109	304	1,044	1,603	22,367	4,739	97,166
Additions	1,001	–	–	1,740	–	719	3,460
Reclassification	1,141	–	–	(1,141)	–	–	–
Closing balance	**69,251**	**304**	**1,044**	**2,202**	**22,367**	**5,458**	**100,626**
Accumulated amortisation and impairment losses							
Opening balance	(53,345)	(125)	(1,044)	(465)	–	(4,255)	(59,234)
Amortisation	(3,751)	(37)	–	–	–	(718)	(4,506)
Impairment	(1,209)	–	–	(22)	–	–	(1,231)
Closing balance	**(58,305)**	**(162)**	**(1,044)**	**(487)**	**–**	**(4,973)**	**(64,971)**
Carrying amounts							
At 30 June 2023	**13,764**	**179**	**–**	**1,138**	**22,367**	**484**	**37,932**
At 31 December 2023	**10,946**	**142**	**–**	**1,715**	**22,367**	**485**	**35,655**

10. Right-of-use assets

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

Non-current assets

	31 December 2023 $'000	30 June 2023 $'000
Right-of-use assets (buildings)	**4,304**	**5,164**

Reconciliations

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

	31 December 2023 $'000
Opening balance at 1 July 2023	5,164
Depreciation expense	(823)
Foreign exchange adjustment	(37)
Closing balance at 31 December 2023	**4,304**

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

	31 December 2023 $'000	31 December 2022 $'000
Depreciation of leased buildings	823	673
Less: capitalised depreciation of leased buildings	(132)	(264)
Total	**691**	**409**

11. Trade and other payables

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

	31 December 2023 $'000	30 June 2023 $'000
Trade payables	2,524	2,408
Sundry payables and accrued expenses	2,446	1,908
Accrued employee costs	2,722	3,183
Total trade and other payables	**7,692**	**7,499**

12. Lease liabilities

	31 December 2023 $'000
Opening balance at 1 July 2023	**6,070**
Principal Repayments	(975)
Interest expense	119
Foreign exchange adjustment	(41)
Closing balance at 31 December 2023	**5,173**
Current lease liability	1,637
Non-current lease liability	3,536
Total	**5,173**

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

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

13. Financial instruments – Fair values and risk management

a. Fair values

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

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

Accounting classifications and fair values

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

		31 December 2023 $'000		30 June 2023 $'000	
	Accounting classification	Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables	Amortised cost	7,815	7,815	6,859	6,859
Cash and cash equivalents	Amortised cost	24,559	24,559	21,593	21,593
Trade and other payables	Amortised cost	(7,692)	(7,692)	(7,499)	(7,499)

14. Contingent assets and contingent liabilities

There were no contingent assets or liabilities that have been incurred by the Group in relation to the period ending 31 December 2023 (30 June 2023: nil).

15. Share-based payments

During the six month period to 31 December 2023, the Group issued the following share-based payment arrangements.

Employee Share Option Plan

During the reporting period of 31 December 2023, the Company granted 1,877,333 options under the Group's Long Term Incentive Plan (LTI) in September and November 2023 (2024 ESOP). The share options are split into two tranches (Tranche A and Tranche B) and vest subject to meeting a share price appreciation condition. Tranche A vests if the share price remains above $1.44 for a period of 20 consecutive business days at any period 5-years from the grant date. Tranche B vests if the share price remains above $1.64 for a period of 20 consecutive business days at any period 5-years from the grant date. If the vesting conditions for either tranche are satisfied within the first 12 months after the grant date, there will be a restriction on exercise until after the 12 month period has ended. The September 2023 grant has a calculated value of $0.915 for Tranche A and $0.920 for Tranche B determined using a Monte Carlo Simulation. The November 2023 grant has a calculated value of $0.820 for Tranche A and $0.830 for Tranche B determined using a Monte Carlo Simulation.

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

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

Employee Share Option Plan – Outperformance options

During the reporting period of 31 December 2023, the Company granted 200,000 'outperformance' options under the Group's Long Term Incentive Plan (LTI) in July 2023, with a calculated value of $1.35 determined using a Black Scholes calculation model (2024 OO). The share options vest subject to meeting the Group's target revenue annual growth rates for the 12 month period from FY23 to FY24.

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

Grant date	1 July 2023
Number of Options on acquisition	200,000
Exercise price	$0.01
Vesting period	1 year

Employee Incentive Plan

During the reporting period of 31 December 2023, the Company granted 184,389 Employee Incentive Plan options in September 2023, with a calculated value of $1.31 determined using a Black Scholes calculation model (2024 EIP). The share options vest subject to remaining employed with Ansarada until 12 months after the grant date.

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

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

Non-executive Director options

During the reporting period of 31 December 2023, the Company granted 300,000 Non-executive Director options in November 2023, with a calculated value of $0.502 determined using a Black Scholes calculation model (2024 NED). The share options vest subject to remaining engaged with the Group until 12 months after the grant date.

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

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

Employee Matching Share Rights Plan

Employees have the opportunity to purchase shares in the Company using up to 25% of their annual base salary. For every two acquired shares, the employee will be awarded a right to receive one additional share of the Company under the conditions outlined in the Employee Matching Share Rights Plan. The matching rights are purchased on market by the Company throughout the contribution period, and subsequently reissued to employees once the rights vest. The Company does not issue new shares under the Employee Matching Share Rights Plan. The Group recorded a net expense of $50,000 in the half year ended 31 December 2023 (31 December 2022: $98,000) in relation to the Employee Matching Share Rights Plan.

	31 December 2023 $'000	31 December 2022 $'000
Legacy employee share option plan	10	3
LTI Options (2021 ESOP)	262	262
LTI Options (2022 ESOP)	166	95
LTI Options (2023 ESOP)	158	77
LTI Options (2024 ESOP)	471	–
Outperformance Options (2022 OO)	262	177
Outperformance Options (2023 OO)	20	11
Outperformance Options (2024 OO)	68	–
Employee matching share rights plan	50	98
Employee Incentive Plan (2024 EIP)	70	–
Non-executive Director options (2024 NED)	16	–
Total share-based payments expense	**1,553**	**723**

	Number of share options	Fair value of share options	Weighted average fair value per option
Opening 1 July 2023	**13,331,369**	**5,923,040**	**0.444**
Granted LTI Options (2024 ESOP)	1,877,333	1,662,274	0.885
Granted Outperformance Options (2024 OO)	200,000	270,000	1.350
Granted Employee Incentive Plan (2024 EIP)	184,389	241,550	1.310
Granted Non-executive Director options (2024 NED)	300,000	150,600	0.502
Cancelled Outperformance Options (2023 OO)	(300,000)	(480,000)	1.600
Lapsed LTI Options (2021 ESOP)	(1,537)	(370)	0.241
Lapsed LTI Options (2023 ESOP)	(34,515)	(18,500)	0.536
Exercised legacy employee share option plan	(2,992)	(5,398)	1.804
Share option on issue as at 31 December 2023	**15,554,047**	**7,743,196**	**0.498**

16. Subsequent events

On 13 February 2024, Ansarada Group Limited entered a Scheme Implementation Deed with Datasite, an entity owned by funds managed by CapVest, to acquire 100% of the fully diluted share capital in Ansarada by way of a Scheme of Arrangement. Under the terms of the scheme, Ansarada shareholders will be entitled to receive $2.50 cash per share, which implies an equity value of $236.3 million. Implementation of the scheme is subject to Foreign Investment Review Board (FIRB) approval and other customary conditions, including Ansarada shareholder and court approvals. The scheme is a non-adjusting post balance sheet event.

There were no other items, transactions or events of a material or unusual nature, that, in the opinion of the Board, are likely to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group that have arisen in the period from 31 December 2023 to the date of this report.

3.1 Directors' Declaration

1. In the opinion of the Directors of Ansarada Group Pty Limited ('the Group'):

a. the Condensed Consolidated Interim Financial Report and notes are in accordance with the *Corporations Act* 2001, including:

   i. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance, for the six month period ended on that date; and

   ii. complying with Australian Accounting Standard *AASB* 134 *Interim Financial Reporting* and the *Corporations Regulations* 2001; and

b. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the six month period ended 31 December 2023.

3. The Directors draw attention to Note 2 to the Consolidated Financial Statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Dated at 27 February 2024

Samuel Riley
Director

David Pullini
Director

3.2 Auditor's Independence Declaration and Independent Review Report

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Ansarada Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Ansarada Group Limited for the half-year ended 31 December 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Trent Duvall

Partner

Sydney

27 February 2024

KPMG

Independent Auditor's Review Report

To the shareholders of Ansarada Group Limited

Conclusion

We have reviewed the accompanying ***Half-year Financial Report*** of Ansarada Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Ansarada Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2023 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half-year Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2023
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Ansarada Group Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity.* Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Trent Duvall

Partner

Sydney

27 February 2024