ARIADNE

ARIADNE AUSTRALIA LIMITED

2024 Annual Report

Corporate Information

Directors
Mr David Hancock
(Independent Non-Executive Chairman)

Mr John Murphy
(Independent Non-Executive Director)

Mr Benjamin Seymour
(Non-Executive Director)

Mr Kevin Seymour, AM
(Non-Executive Alternate Director to Mr Ben Seymour)

Mr Dean Smorgon
(Independent Non-Executive Director)

Dr Gary Weiss, AM
(Executive Director)

Company Secretary
Mr Natt McMahon

Registered Office and Principal Place of Business
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Share Register
Computershare Investor Services Pty Ltd
6 Hope Street
Ermington NSW 2115
Telephone: 1300 850 505 or +61 3 9415 4000
www.computershare.com.au

Bankers
ANZ Banking Group Limited

Auditors
Grant Thornton Audit Pty Ltd
Level 17, 383 Kent Street
Sydney NSW 2000

Website
www.ariadne.com.au

ABN
50 010 474 067

Contents

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This report covers the consolidated entity comprising Ariadne Australia Limited ("Ariadne") and its controlled entities ("the Group"). The Group's functional and presentation currency is Australian dollars (AUD).

Chairman’s Letter

Dear Shareholders

As we close another year, I would like to take this opportunity to extend my gratitude to our executive team and staff for their diligent work and unwavering commitment. This year, our focus has been on streamlining our portfolio and seeking opportunities to realise value through strategic asset sales.

Orams, our major asset in New Zealand, continues to perform well across all fronts, particularly in superyacht maintenance, boat storage, and ancillary services. The board and our team remain focused on maximizing the potential of this valuable asset, ensuring it continues to contribute significantly to Ariadne's growth.

Our portfolio of listed and unlisted assets is well positioned to give our shareholders solid returns over the medium term.

I would like to acknowledge Chris Barter, who has served on the board for the past six years. Chris’s contributions have been invaluable, and while he will be missed, we look forward to continuing our work together on future opportunities as they arise.

Additionally, I would like to extend a warm welcome to Dean Smorgon, who has joined the board this year. Dean's energy and enthusiasm have already made a positive impact, and I am confident that his insights will be instrumental as we move forward.

As we look ahead, I am confident that the strength of our team and the strategic decisions we have made will position Ariadne for success.

Thank you for your continued support.

Sincerely,

Mr David Hancock
Chairman of the Board
Ariadne Australia Limited

Executive Director's Review

The Directors present the Annual Report of Ariadne Australia Ltd ("Ariadne" or "the Group") for the period ended 30 June 2024.

Results for the period (millions)	30 June 2024	30 June 2023
Net profit attributable to members	**1.6**	11.1
Other comprehensive income attributable to members	**(1.7)**	(16.5)
Total comprehensive income attributable to members	**(0.1)**	(5.4)
Total comprehensive income per share (cents)	**(0.07)**	(2.78)
Net tangible assets per share (cents)	**83.28**	83.65
Net operating cash (outflow) / inflow	**(0.9)**	13.1

Investments

The Investment division recorded a net profit before tax of $5.2 million (FY23: $16.6 million).

The result is derived from interest on cash reserves, share of profits and losses from the Group's investments in associates, and dividend and trading income from the trading portfolio.

The division's share of joint ventures and associates results for the period was a net profit of $1.6 million (FY23: $1.6 million).

Dividends received during the period were $1.6 million (FY23: $12.0 million). As previously reported, the substantial decrease from prior period was due to the large one-off $11.1 million cash dividend received from Coast Entertainment Holdings Limited (previously Ardent Leisure Group Limited) following the sale of its US business, Main Event Entertainment in June 2022.

The trading portfolio recorded a net profit for the period of $1.1 million (FY23: $2.7 million) and a portion of the strategic portfolio, revalued through profit or loss, recorded a net loss of $0.4 million (FY23: $0.5 million gain) due to mark-to-market revaluations.

The balance of the strategic portfolio recorded a net profit of $0.1 million (FY23: $15.2 million loss) during the period due to mark-to-market revaluations. These movements are recorded through other comprehensive income and not included in the reported net profit.

The Group results for FY24 were negatively impacted by the following write-downs in the book values of some of our unlisted investments and property assets:

- FinClear Holdings Ltd – ($1.7 million)
- Lark Technologies Inc – ($2.7 million)
- Orams Marine Village – ($2.0 million) Ariadne's share
- Termination of the Redfern Project – ($1.6 million)

Despite these negative adjustments, Ariadne has made good progress on a number of its significant investments.

Orams

The Group's investment in our associates, Orams Group Ltd and Orams Residential Ltd (together "Orams"), where Ariadne holds an indirect equity interest of 61%, contributed negatively to the overall result.

The Group's share of earnings associated with its Orams investment during the period was breakeven (FY23: $4.0 million loss). The prior year's result included a revaluation loss, net of deferred tax, of $2.3 million in relation to the residential site at Orams.

A $1.8 million (FY23: $2.7 million) gain was also recognised in reported net profit relating to the Contingent Consideration, attributable to the decrease in Orams NZ Unit Trust's ("ONZUT", our Orams holding trust) net assets during the period.

In addition, a revaluation loss, net of deferred tax, of $2.0 million (FY23: $3.6 million loss) was reported through the Statement of Comprehensive Income in relation to the Orams Marine Village property asset due to a small increase in the capitalisation rate used to value the property.

As previously reported, during the period the Group, via ONZUT, subscribed for a NZ$10 million convertible note issued by Orams, the proceeds of which were applied in reduction of Orams' bank facility.

Executive Director's Review

As a result of the rapid trajectory of interest rate rises by the Reserve Bank of New Zealand over the last two years, there has been an expansion in capitalisation rates for property assets, thereby reducing the value of properties generally, including Orams's property holdings. Pleasingly, however, interest rates in New Zealand now appear to have peaked, with a reduction in the Official Cash Rate earlier this month of 25 basis points, and market expectations of further rate cuts projected over coming months.

While Orams' overall reported contribution for the financial year was breakeven, it is important to note the strong underlying performance of the Orams businesses.

The second half of the financial year saw continued strong growth at Orams Marine Services, the largest marine maintenance and refit services business in New Zealand, wholly owned by Orams Group Ltd. Refit turnover was 61% above budget for the half year period, giving a full year uplift over budget of 34%. Likewise, the Marina operations, off the back of busier refit facilities were 78% over budget for the half year and 42% ahead of budget for the full year. The forward order book remains strong, now stretching beyond 2025.

Underlying EBITDA for Orams Group Ltd for the period was NZ$11.8 million (FY23 NZ$9.5 million), with a cash conversion rate of over 90%.

The pressure on available work areas, as a result of expanding the workforce to service the growing turnover, continues to be addressed with an additional mezzanine level being constructed during the year, providing some relief in the short term. The longer term solution remains the construction of the final component of the overall Stage 1 site development, incorporating a four storey building with additional workspace alongside office accommodation.

FY25 has seen a strong start at Orams, with July 2024 results being above budget and substantially ahead of the July 2023 result.

On 28 August 2024, Ariadne announced that Orams had entered into a conditional agreement with Precinct Properties Holdings Limited, a wholly owned subsidiary of the New Zealand Stock Exchange-listed Precinct Properties New Zealand Limited ("Precinct Properties"). The agreement involves Precinct Properties acquiring a 24.9% interest in the ground lease and buildings of Orams Marine Village and a 50% interest in the adjoining residential site. The agreement is conditional upon finalising and agreeing definitive transition documentation, finalising financing agreements and approval from Auckland Council.

The Partnership will facilitate construction of the approved commercial buildings within the Marine Village and also progress the development of the residential site.

Coast Entertainment Holdings Limited ("Coast")

Coast recently reported improved visitation growth and ticket sales, despite macroeconomic headwinds and the business cycling a strong prior period, and the first positive consolidated EBITDA (excluding specific items) for the group's continuing operations since FY16.

Coast has a solid balance sheet, no debt, with cash of $89.2 million as at 25 June 2024, and available tax losses of $138.7 million at balance date.

Following the substantial capital spend to date to improve Dreamworld's rides and attractions, and with construction of the new Rivertown precinct due for opening by the end of this calendar year, it is anticipated that visitation should continue to improve.

Coast has reported a positive start to FY25, with July 2024 visitation, revenue and EBITDA showing strong growth compared to July 2023.

Coast is also progressing seeking a Preliminary Development Approval across its 55 hectare site at Coomera in South East Queensland and is hopeful of being able to provide a further update before, or at, its Annual General Meeting later this calendar year.

Hillgrove Resources Limited ("Hillgrove")

During the period Hillgrove commissioned its processing facility in anticipation of returning to copper production. Pleasingly first copper production was achieved in February 2024 ahead of the targeted timeframe.

Mine output and copper production has ramped up over the last few months as the work areas expanded underground, with 2,584 tonnes of copper produced in the June 2024 quarter.

HGO is one of the few pure- play copper producers on the ASX. The company is debt-free, has substantial available carry-forward tax losses, a franking credit balance of $17.6 million and is well-positioned to leverage the anticipated growth in copper demand as the world continues to de-carbonise through electrification.

Executive Director's Review

ClearView Wealth Limited ("ClearView")

ClearView has successfully transformed into a focused retail life insurance company, delivering strong financial results in FY24, reporting a 25% increase in profitability.

This simplified business model appears to be resonating with both financial advisers and customers, reflected in the company's impressive market share gains in both new business and in-force premium.

CVW is well-positioned to continue its growth trajectory as it capitalises on a rebounding life insurance market. The market continues to be underappreciating CVW's improved growth trajectory and profitability given the company's double-digit earnings growth and expanding margins.

CVW's share price is 62 cents, trading at a 32% discount to the company's embedded value of 91.4 cents as per their latest results. This discount has disappointingly continued for many years and the share price has been a material drag on Ariadne's performance for an extended time.

It is worth noting in this regard, that the CVW share price is virtually unchanged from 10 years ago when in-force premia were approximately 90% less.

During the period Ariadne took the opportunity to reduce its holding when CVW's major shareholder sold down a portion of its shareholding.

Future Group Australia Holdings Pty Ltd ("Future Group")

During the period, Ariadne made a new investment in Future Group, a pioneering force in the Australian superannuation sector focusing on ethical and sustainable investments. Since its founding 10 years ago, Future Group has grown to become one of Australia's largest superannuation groups with over 390,000 members and over $15 billion in funds under management and advice. They operate several brands, including Future Super, GuildSuper and Verve Super.

Future Group has carved a niche in the superannuation market with its strict adherence to ethical investment criteria, with a focus on investing in renewable energy and other sustainable initiatives. This differentiation strategy has not only garnered a loyal member base but has also positioned Future Group as a leader in the ethical investment space.

Its impressive growth has been propelled by a combination of strategic acquisitions, compelling product offerings, and a high member acquisition rate, positioning Future Group as a top-tier performer within the superannuation industry.

We believe Future Group represents a compelling investment opportunity, uniquely positioned to capitalise on the surging demand for ethical investment solutions and underpinned by the inflows of compulsory superannuation contributions and we will look to potentially further increase our investment as circumstances permit.

King River Capital ("King River")

At balance date, the aggregate carrying value of Ariadne's King River-related investments was $20.4 million, representing an overall unrealised gain of $8.9 million over cost.

A review of each investment, to determine fair value, was undertaken at balance date.

Overall, our investments with King River continue to perform well, in aggregate being valued at multiples of Ariadne's cost.

During the period Ariadne invested in The Inevitable Games Fund, formed by King River in partnership with Immutable and Polygon Labs. The fund will invest in the best Web3 game studios and gaming infrastructure projects globally providing an opportunity to gain unique access to the best web3 gaming projects and benefiting from the multi-hundred billion dollar shift in spending to this disruptive new technology.

Executive Director's Review

Simplified Balance Sheet

Ariadne is in a sound financial position as shown in the following presentation of the Group's assets and liabilities as at 30 June 2024.

Assets	**$M**	**$M**	**Liabilities**	**$M**
Cash		22.9	Payables and Provisions	2.5
Investments			Other Payables	10.1
Orams	83.3		Minority Interests	14.1
Hillgrove	14.4		Debt	16.4
Freshxtend	12.2		**Total Liabilities**	**43.1**
FinClear	11.4			
ClearView	10.8		**Shareholders' Funds**	**162.7**
Coast	10.4			
King River	10.3			
Other Strategic Assets	7.8			
Cover Genius	7.5			
Foundation Life	6.2			
Trading Portfolio	3.6			
Total Investments		177.9		
Fixed Assets and Other Receivables		5.0		
Total Assets		**205.8**	**Total Liabilities & Shareholders' Funds**	**205.8**

Tax

Ariadne has substantial carry forward revenue and capital losses available to offset future taxable profits. At 30 June 2024 these are estimated to be $72.7 million (30 June 2023: $75.9 million) and $83.9 million (30 June 2023: $72.1 million) respectively. As at balance date, Ariadne had a deferred tax asset of $46.7 million which is not recognised in Ariadne's accounts.

Board Composition

During the period, Chris Barter retired from the Board. Chris has been a significant contributor to Ariadne since his appointment in 2018. Ariadne has benefited considerably from his deep insight and experience and we wish him well in the future.

Dividends and Capital Management

The Board has determined that it is appropriate to continue to retain a conservative financial position as the Group looks to recycle capital as opportunities arise.

A final fully franked dividend of 0.50 cents per share has been declared by the directors, bringing the total dividends for FY24 to 0.75 cents per share (FY23: 0.25 cents per share).

On 1 March 2024, Ariadne announced the extension of its on-market share buy-back facility as part of ongoing capital management initiatives.

Dr Gary Weiss, AM
Executive Director

Directors' Report

The Directors submit their report for the year ended 30 June 2024.

The term "Group" is used throughout this report to refer to the parent entity, Ariadne Australia Limited ("Ariadne") and its controlled entities.

All amounts included in this report, other than those forming part of the Remuneration Report, are quoted in thousands of dollars unless otherwise stated.

1. OPERATING AND FINANCIAL REVIEW

Group Overview

Ariadne's objective is to hold a portfolio of assets and investments in order to provide attractive investment returns which can generate regular dividends to shareholders and capital growth in the value of the shareholders' investments.

The Board of Directors ("Board") and management have extensive experience investing in securities, financial services, property, merchant banking and operating businesses.

Ariadne's principal activities include investing in securities; financial services and property.

Operating Results for the Year

The consolidated net profit after income tax, attributable to the Group for the financial year was $1,141 (2023: $10,273). The consolidated net profit after tax attributable to members, on the same basis, for the financial year was $1,571 (2023: $11,070). In addition, a negative contribution (net of deferred tax) attributable to members of $1,699 (2023: $16,516 negative contribution) was reported through the Statement of Profit or Loss and Other Comprehensive Income, resulting in a total comprehensive loss attributable to members of $128 (2023: $5,446 loss). Net tangible assets at the end of the reporting period were 83.28 cents per share (2023: 83.65 cents). Earnings per share were 0.80 cents (2023: 5.64 cents). Total comprehensive earnings per share were -0.07 cents (2023: -2.78 cents).

Investments

The Investment division recorded a profit of $5,226 (2023: $16,568).

The division's result is derived from interest on cash reserves, share of profits / losses from the Group's investments in associates, dividends received, trading income from the trading portfolio and net gains / losses on the strategic portfolio revalued through profit and loss.

Cash and cash equivalents as at 30 June 2024 were $22,869 (2023: $36,731). Ariadne returned $1,255 (2023: $1,630) during the period by way of dividends and buy-backs. Ariadne continues to maintain a prudent approach to cash management.

The division's share of joint ventures and associates results for the period was a net profit of $1,545 (2023: $1,561).

The trading portfolio recorded a net profit of $1,133 (2023: $2,654 net profit) and the portion of strategic portfolio revalued through profit or loss recorded a net loss of $431 (2023: $457 gain) during the reporting period due to mark-to-market revaluations.

Dividends received during the period were $1,572 (2023: $12,027), the substantial decrease from prior period was due to the large one-off $11,094 cash dividend received (together with a $10,445 return of capital) from Coast Entertainment Holdings Limited following the sale of its US business, Main Event Entertainment in June 2022.

The balance of the strategic portfolio revalued through other comprehensive income recorded a net gain of $144 (2023: $15,163 loss) during the period due to mark-to-market revaluations.

Ariadne's investment in Foundation Life NZ Limited continues to perform in line with expectations, contributing $331 (2023: $422) of loan note interest during the period.

Ariadne's 54% interest in Freshxtend International Pty Ltd with its 17% investment in the NatureSeal Group continues to contribute positively to the Investment division's results.

Property

The Group's Property division recorded a loss of $12 (2023: $2,533 loss).

The division's result is derived from the Group's 76% debt and equity interest in Orams Residential Limited ("Residential") and Orams Group Limited ("Orams") - the owner of Orams Marine Village ("the Marina") and Orams Marine Services ("Orams Marine"), New Zealand's premier marine facility and largest marine maintenance and refit services business respectively as well as the Group's, now terminated, investment in an option over land in Redfern, Sydney ("Redfern Project").

The Group's loss associated with its investment in Orams during the period was $512 (2023: $4,038 loss).

Directors' Report

The Group's share of profit from Orams and Residential during the period was $27 (2023: $2,782 loss) and its interest earned on the associated loans to Orams was $1,061 (2023: $375). Other financing and administration costs associated at the interposed Orams NZ Unit Trust ("ONZUT") level were $1,600 (2023: $1,631). In addition the Group's share of the movement in value of the Marina through other comprehensive income recorded a markdown of $1,981 (2023: $3,591 markdown).

A $1,787 gain (2023: $2,744 gain) relating to the Contingent Consideration, due to the decrease in Orams NZ Unit Trust's net assets during the period, was also recognised in reported net profit. The terms of the Contingent Consideration, relating to an agreement made in July 2020 to acquire a units in ONZUT from an existing unitholder, provide that the purchase price will be determined and paid following completion of the Site 18 Stage 1 Works (as defined in the Development Agreement with Panuku Development Auckland) which is now expected to be before December 2028.

As previously reported, during the period the Group, via ONZUT, subscribed for a NZ$10,000 convertible note issued by Orams, the proceeds of which were applied in reduction of Orams' bank facility.

As a result of the rapid trajectory of interest rate rises by the Reserve Bank of New Zealand over the last two years, there has been an expansion in capitalisation rates for property assets, thereby reducing the value of properties generally, including Orams's property holdings. Pleasingly, however, interest rates in New Zealand now appear to have peaked, with a reduction in the Official Cash Rate earlier this month of 25 basis points, and market expectations of further rate cuts projected over coming months.

While Orams' overall reported contribution for the financial year was breakeven, it is important to note the strong underlying performance of the Orams businesses. The second half of the financial year saw continued strong growth at Orams Marine, refit turnover was 61% above budget for the half year period, giving a full year uplift over budget of 34%. Likewise, the marina operations, off the back of busier refit facilities were 78% over budget for the half year and 42% ahead of budget for the full year. The forward order book remains strong, now stretching beyond 2025. Underlying EBITDA for Orams for the period was NZ$11,852 (2023 NZ$9,460), with a cash conversion rate of over 90%.

The pressure on available work areas, as a result of expanding the workforce to service the growing turnover, continues to be addressed with an additional mezzanine level being constructed during the year, providing some relief in the short term. The longer term solution remains the construction of the final component of the overall Stage 1 site development, incorporating a four storey building with additional workspace alongside office accommodation.

During the period the Group entered into agreements to terminate the Redfern Project. The Group's loss associated with its investment in the Redfern Project during the period was $1,617 (2023: $1,576 loss).

Taxation

Ariadne has significant carried forward revenue and capital losses available to offset future taxable profits. At 30 June 2024, these are estimated at $72,697 (2023: $75,859) and $83,910 (2023: $72,081) respectively.

In accordance with the Group's accounting policy for income tax, an assessment was undertaken to estimate the probable recoverability and sufficiency of the Group's deferred tax assets. The assessment determined that a deferred tax asset of $246 (2023: nil), at Ariadne's income tax rate of 30%, be recognised to offset an equal deferred tax liability relating to temporary differences of the Group's strategic portfolio.

Employees

The number of employees, including directors, at balance date is 11 (2023: 12), 73% male and 27% female (2023: 75%:25%).

2. DIVIDENDS AND CAPITAL MANAGEMENT

The Directors have declared a fully franked final dividend of $977 (0.50 cents per share) in relation to the 2024 financial year. As the final dividend for 2024 was declared after balance date, no liability was recognised at balance date.

During the period Ariadne bought back and cancelled 537,329 shares at a cost of $276. On 1 March 2024, Ariadne announced the twelve month extension of its on-market share buy-back facility as part of ongoing capital management initiatives.

Directors' Report

3. DIRECTORS

The names and details of Ariadne's Directors in office at the date of this report are set out below. All Directors were in office for the entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

David Hancock, BBA
Independent Non-Executive Chairman

Mr Hancock, was appointed as a Director and elected Chairman of Ariadne on 1 March 2023.

Mr Hancock is the Chairman of FinClear Ltd, Australia's leading independent provider of technology, wholesale execution and clearing services as well as Chairman of Geometrica Funds Management Pty Ltd. Mr Hancock has over 30 years of broad experience in financial services. This experience includes being Group Head and an Executive Director of Afterpay Limited, Chief Executive Officer of listed Tower Limited, Executive General Manager at the Commonwealth Bank of Australia, with a variety of roles including capital markets, fixed income and equities. Prior to that, he served in senior investment banking roles at JPMorgan where he was a Managing Director, and Citi (formerly County Natwest) where he was Managing Director and Co-Head of Investment Banking. Mr Hancock also serves on a number of mentoring programmes, has established an incubator and works with young start-up founders. He is actively involved in a number of investments across a variety of technology and industries both locally and globally. Together with his wife, he has established a Foundation focussed upon giving back to a variety of marginalised groups and causes. Mr Hancock holds a Bachelor of Business (Economics/Marketing) and is a graduate member of the Australian Institute of Company Directors.

Mr Hancock was appointed as a member of the Ariadne Audit and Risk Management Committee on 26 April 2023.

John Murphy, B Com, M Com, CA, FCPA
Independent Non-Executive Director

Mr Murphy, was appointed as a Director of Ariadne on 6 December 2006.

Mr Murphy was a partner in international accounting firm Arthur Andersen where he specialised in merger and acquisition and insolvency and reconstruction. He held management positions in that firm at the Australian, regional and global level. He has also spent twenty years as the founder and managing director of various private equity funds including Investec Wentworth Private Equity Limited and Adexum Capital limited. He was a Director of Investec Bank Australia Limited from 2004 until 2013 and Chairman of Alloggio Group Limited (appointed 6 August 2021) before the company was taken private in July 2023. Mr Murphy is currently a Director of Shriro Holdings Limited (appointed 23 May 2022).

Mr Murphy has extensive public company experience having been a Director of listed companies Southcorp Limited, Specialty Fashion Group Limited, Vocus Communications Limited, Gale Pacific Limited, Redflex Limited, and Australian Pharmaceutical Industries Limited.

Mr Murphy was appointed as a member of the Ariadne Audit and Risk Management Committee on 6 December 2006 and was elected Committee Chairman on 18 March 2008.

Benjamin Seymour, MSc, LLB (Hons), BBusMan, GDLP
Non-Executive Director

Mr Seymour, was appointed as a Director of Ariadne on 1 March 2023.

Mr Seymour is an Associate Director of Seymour Group, Queensland's most prominent privately-owned property development and investment company established by his grandparents, Kevin and Kay in 1976. On completion of his undergraduate university studies Mr Seymour spent time in QIC's Global Real Estate business working throughout investment and funds management. He is also admitted as a solicitor in the Supreme Court of Queensland and the High Court of Australia, and practiced as a corporate lawyer at Herbert Smith Freehills specialising in mergers and acquisitions. Mr Seymour's business interests and activities extend into high-end residential and commercial property development through his directorship of Queensland Prime Investments, in conjunction with investments across private equity, venture capital and global equities through the Seymour Private Capital family office. Mr Seymour has obtained a Masters of Science in Global Finance from New York University, a Bachelor of Laws (Honours) and Bachelor of Business Management majoring in Property Development and Real Estate from the University of Queensland.

Directors' Report

Kevin Seymour, **AM**

Non-Executive Alternate Director to Mr Ben Seymour

Mr Seymour AM, was appointed as an Alternate Director of Ariadne on 1 March 2023.

Mr Seymour is the Executive Chairman of Seymour Group, one of the largest private and longest established property development and investment companies in Queensland and has substantial experience in the equities market in Australia and has extensive management and business experience including company restructuring. Mr Seymour holds board positions with several private companies in Australia.

Mr Seymour, having previously served as a Deputy Chairman of Ariadne for many years, was first appointed as a Director of Ariadne in December 1992 and served as Managing Director/Executive Chairman from 1997-2002. He oversaw many strategic investments and initiatives of the Group until stepping down from office in March 2023, at which time he was appointed an Alternate Director.

Mr Seymour was previously a Director of UNiTAB and then Tatts Group Limited. When the merger was completed between Tatts Group and Tabcorp Limited he completed his term as Director on 22 December 2017. Mr Seymour was also previously the Chairman of Watpac Limited, the Chairman of the RBH Herston Taskforce Redevelopment, Independent Chairman of the Queensland Government's and Brisbane City Council's Brisbane Housing Company Limited and Chairman of Briz31 Community TV. He has also served on the Brisbane Lord Mayor's Drugs Taskforce and is an Honorary Ambassador for the City of Brisbane. In June 2003, Mr Seymour received the Centenary Medal for distinguished service to business and commerce through the construction industry, and in June 2005 he was awarded the Order of Australia Medal for his service to business, the racing industry, and the community.

Dean Smorgon, BEc

Independent Non-Executive Director

Mr Smorgon, was appointed as a Director of Ariadne on 1 March 2023.

Mr Smorgon is an Executive Director of Canaccord Genuity Wealth Management Australia, a full-service investment banking and financial services company specialising in wealth management and brokerage in capital markets. Through his extensive network, Mr Smorgon provides clients of Canaccord Genuity Wealth Management a variety of investment opportunities in equities, fixed interest, bonds and property. Mr Smorgon services a diverse client base of private clients, family offices and institutions. With over three decades of investment experience as an active investor and advisor in the stock market, as well as serving on the investment committee of the David Smorgon family office, which invests in equities, property, private equity, venture capital and private debt, Mr Smorgon has significant experience in corporate transactions, financial markets, and trends. Mr Smorgon graduated from Monash University with a Bachelor of Economics before commencing his stockbroking career with ANZ McCaughan Securities. Following this, he joined HSBC James Capel in 1996 where he continued to develop his industry knowledge base. He later took up the role of senior advisor at ABN AMRO in 1998 and then continued on as Associate Director until 2008 at ABN AMRO Morgans. Mr Smorgon currently serves on the Investment Committee of DBR Corporation & Generation Investments (Family Office).

Dr Gary Weiss, **AM**, LLB (Hons), LLM, JSD

Executive Director

Dr Weiss, was appointed as a Director of Ariadne on 28 November 1989.

Dr Weiss is Chairman of Coast Entertainment Holdings Limited (appointed 29 September 2017, having been appointed Director on 3 September 2017) and Cromwell Property Group (appointed 17 March 2021, having been elected as a director on 18 September 2020), Deputy Chairman of Myer Holdings Limited (appointed 14 March 2024, having been elected as a director on 9 November 2023), Director of Hearts & Minds Investments Limited (appointed 12 September 2018), and Thorney Opportunities Ltd (appointed 21 November 2013). Dr Weiss was also appointed a Commissioner of the Australian Rugby League Commission on 30 August 2016.

During the past three years, Dr Weiss has also served as Chairman of Estia Health Ltd (appointed 1 January 2017, having been a Director since 24 February 2016 and resigned on 15 December 2023).

4. COMPANY SECRETARY

Natt McMahon, B Com, M AppFin, SA Fin, CA, FGIA, FCIS

Mr McMahon was appointed Chief Financial Officer and Company Secretary for the Group on 18 May 2012.

Prior to joining Ariadne, Mr McMahon held senior financial roles with various local and overseas entities.

5. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

After the balance date, the Directors declared a final dividend on ordinary shares in respect of the 2024 financial year. The total amount of the dividend is $977 which represents a fully franked dividend of 0.50 cents per share.

On 28 August 2024, Ariadne announced that Orams and Residential had entered into a conditional agreement with Precinct Properties Holdings Limited, a wholly owned subsidiary of the New Zealand Stock Exchange-listed Precinct Properties New Zealand Limited ("Precinct Properties"). The agreement involves Precinct Properties acquiring a 24.9% interest in the ground lease and buildings of Orams Marine Village and a 50% interest in the adjoining residential site. The agreement is conditional upon finalising and agreeing definitive transition documentation, finalising financing agreements and approval from Auckland Council.

There is no other matter of circumstance that has arisen since 30 June 2024 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 the future financial periods.

Directors' Report

6. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Ariadne intends to continue its investment activities as it has done for many years. The results of these investment activities depend on the performance of the companies and securities in which the Group invests. Their performance in turn depends on many economic factors. These include economic growth rates, inflation, interest rates, exchange rates and taxation levels. There are also industry and company specific issues including management competence, capital strength, industry economics and competitive behaviour. The composition of the Group's investment portfolio can change dramatically from year to year. As a consequence profit flows are unpredictable as the rewards from a successful long term investment may be accrued in a single transaction.

Ariadne does not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of its investments. Accordingly, Ariadne does not provide a forecast of the likely results of its activities. However, the Group's focus is on results over the medium to long term and its twin objectives are to provide shareholders with regular dividends and capital growth in the value of shareholders' investments.

7. ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's environmental obligations are regulated by relevant federal, state and local government ordinances. The Group's policy is to comply with its environmental performance obligations. No material exposure to environmental or social risks were identified during the period.

8. REMUNERATION REPORT (AUDITED)

All amounts in the Remuneration Report are stated in whole numbers unless otherwise specified.

The Remuneration Report outlines the Director and Executive remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Remuneration Philosophy

The performance of the Group depends upon the quality of its Directors, Executive Officers and employees.

Remuneration of Directors and Executive Officers of the Group is established by annual performance review, having regard to market factors and a performance evaluation process. For Executive Officers remuneration packages generally comprise salary, superannuation and a performance-based bonus.

Remuneration Structure

In accordance with good corporate governance the structure of Non-Executive Director and Executive Officer remuneration is separate and distinct.

Non-executive Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

Ariadne's Constitution and the Australian Securities Exchange ("ASX") Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination, approved by shareholders on 24 November 2011, provided for an aggregate limit of Non-Executive Directors' remuneration (including superannuation) of $500,000 per annum.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Directors are also reimbursed for reasonable travel expenses in attending Board and Committee meetings and other costs associated with representing the Group in specific matters from time to time.

Directors' Report

Executive Remuneration

Objective
The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- reward Executives for performance against targets set by reference to appropriate benchmarks;
- align the interests of Executives with those of shareholders;
- link reward with the strategic goals and performance of the Group; and
- ensure total remuneration is competitive by market standards.

Structure
In determining the level and make up of Executives' remuneration, the Board considers market levels of remuneration for comparable roles and employee performance. Remuneration consists of the following key elements:

- Fixed remuneration
- Variable remuneration

The Board establishes the proportion of fixed and variable remuneration for each Executive.

Fixed Remuneration

Objective
The level of fixed remuneration is set so as to provide a base level of remuneration, which is both appropriate to the position and is competitive in the market. Fixed remuneration is reviewed annually.

Structure
Fixed remuneration is paid in cash.

Variable Remuneration

Objective
The objective of variable remuneration is to reward Executives in a manner which aligns this element of remuneration with the creation of shareholder wealth.

Structure
Variable remuneration is generally only offered to Executives who are able to influence the generation of shareholder wealth and have a direct impact on the Group's performance. Due to the operations of the Group, the value of variable remuneration may be linked to the outcome of specific transactions in addition to the Group's overall financial performance. Comprehensive Earnings per Share ("CEPS"), Return on Equity ("ROE"), and project Internal Rate of Return ("IRR") as calculated in accordance with applicable accounting standards and accepted valuation techniques may be used as key indicators of performance.

Variable remuneration may be in the form of cash bonuses or longer term incentives in the form of Ariadne share options. Cash based variable remuneration is used to reward Executives for exceptional performance. The nature of the Group's activities lends itself to a market where cash based incentives are prevalent. All cash bonuses are granted at the discretion of the Board, there are no fixed guidelines. The amount determined by the Board is paid out in totality. No amounts remain payable, and no portion relates to future financial years. While individual performance may be rewarded by way of cash based payments, the Board also considers the use of longer-term incentives in order to align the interests of employees and shareholders.

A share option plan has been established where the Board may grant options over the ordinary shares of Ariadne to Executives as a long-term incentive payment. The options, issued for nil consideration, are granted as variable remuneration. All options are issued at the discretion of the Board, there are no fixed guidelines.

Each option entitles the holder to subscribe for one fully paid ordinary share in Ariadne at a specified price. The options are issued for a term of five years and are exercisable two years from the date of grant. The options cannot be transferred and will not be quoted on the ASX. Option holders do not have any right, by virtue of the option, to participate in any share right issues or dividends.

Directors' Report

Details of Key Management Personnel Remuneration

(a) Details of Key Management Personnel

(i) Directors

D Hancock	Independent Non-Executive Chairman
J Murphy	Independent Non-Executive Director
B Seymour	Non-Executive Director
K Seymour, AM	Non-Executive Alternate Director to Mr Ben Seymour
D Smorgon	Independent Non-Executive Director
G Weiss, AM	Executive Director

(ii) Executives

N McMahon	Chief Financial Officer / Company Secretary
D Weiss	Chief Investment Officer

(b) Remuneration of Directors and Executives

Remuneration Policy

The Board acts as the Group's Remuneration Committee and is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Directors assess the appropriateness of the nature and amount of emoluments on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team.

Directors' remuneration primarily consists of a base salary.

Officers receive their base emolument in the form of cash payments. Once the Directors' approval is granted, bonuses are paid by way of cash or longer term incentives in the form of Ariadne share options. The Directors link the nature and amount of Executive Directors' and Officers' emoluments to the Group's financial and operational performance.

Superannuation Commitments

All superannuation payments on behalf of the Group's Directors and staff are paid to externally administered superannuation funds. The Group makes contributions in accordance with Superannuation Guarantee Legislation.

Directors' Report

Table 1: Emoluments of Directors of Ariadne

	Short Term Employee Benefits: Salary & Fees	Short Term Employee Benefits: Cash Bonus	Short Term Employee Benefits: Non-Monetary Benefits[i]	Post-Employment Benefits: Superannuation	Share Based Payment: Options[ii]	Total	% at Risk
D Hancock (Chairman)							
2024	**130,000**	**—**	**—**	**14,300**	**—**	**144,300**	**—**
2023	43,333	—	—	4,550	—	47,883	—
D Baffsky, AO [iii]							
2024	**—**	**—**	**—**	**—**	**—**	**—**	**—**
2023	54,667	—	8,020	5,740	—	68,427	—
C Barter [iv]							
2024	**58,333**	**—**	**—**	**6,417**	**—**	**64,750**	**—**
2023	70,000	—	—	7,350	—	77,350	—
J Murphy							
2024	**80,000**	**—**	**—**	**8,800**	**—**	**88,800**	**—**
2023	80,000	—	—	8,400	—	88,400	—
B Seymour							
2024	**70,000**	**—**	**—**	**7,700**	**—**	**77,700**	**—**
2023	70,000	—	—	7,350	—	77,350	—
D Smorgon							
2024	**70,000**	**—**	**—**	**7,700**	**—**	**77,700**	**—**
2023	23,333	—	—	2,450	—	25,783	—
G Weiss, AM (Executive Director)							
2024	**695,000**	**—**	**17,147**	**30,000**	**—**	**742,147**	**—**
2023	695,000	—	15,354	30,000	—	740,354	—
Total Remuneration: Directors							
2024	**1,103,333**	**—**	**17,147**	**74,917**	**—**	**1,195,397**	**—**
2023	1,036,333	—	23,374	65,840	—	1,125,547	—

Table 2: Emoluments of the Executive Officers of the Group

	Salary & Fees	Cash Bonus	Non-Monetary Benefits[i]	Superannuation	Options[ii]	Total	% at Risk
N McMahon (Chief Financial Officer / Company Secretary)							
2024	**358,217**	**—**	**—**	**27,399**	**42,064**	**427,680**	**9.84%**
2023	335,167	—	—	27,500	24,627	387,294	6.36%
D Weiss (Chief Investment Officer)							
2024	**415,401**	**—**	**17,147**	**27,399**	**42,064**	**502,011**	**8.38%**
2023	412,041	—	15,354	25,292	30,700	483,387	6.35%
Total Remuneration: Executives							
2024	**773,618**	**—**	**17,147**	**54,798**	**84,128**	**929,691**	**9.05%**
2023	747,208	—	15,354	52,792	55,327	870,681	6.35%

(i) Non-monetary benefits represent the cost of car parking (including associated fringe benefits tax).
(ii) Refer to Table 3 - Option holdings of Directors and Executives.
(iii) Mr D Baffsky, AO passed away on 4 December 2022.
(iv) Mr Barter retired on 8 May 2024.

Table 3: Option holdings of Directors and Executives

	Balance 1 July 2023	Granted as Remuneration	Options Exercised	Options Expired	Balance 30 June 2024	Vested and Exercisable
Executives						
N McMahon	**850,000**	**300,000**	**—**	**(250,000)**	**900,000**	**300,000**
D Weiss	**850,000**	**300,000**	**—**	**(250,000)**	**900,000**	**300,000**
Total	**1,700,000**	**600,000**	**—**	**(500,000)**	**1,800,000**	**600,000**

Each option entitles the holder to purchase one Ariadne share at a specified price. The options have a vesting period of two years from the date the option is issued followed by an exercise period of three years. The options may not be exercised during the vesting period. In accordance with the terms and conditions, options are either exercised, lapse or expire on cessation of employment, there are no other vesting conditions. If options are not exercised in the exercise period, they lapse.

Options granted as part of Executive emoluments have been valued using the Black Scholes pricing model, which takes account of factors including the option exercise price, the volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, market price of the underlying share and the expected life of the option. The total cost of the options, being the fair value of options at grant date multiplied by the number of options granted, is recognised over the vesting period.

Directors' Report

Key inputs used in valuing the options on issue at balance date are as follows:

Grant Date	Expiry Date	Total Number of Options Granted	Dividend Yield	Expected Volatility	Risk Free Interest Rate	Expected Life of Options from Grant Date (years)	Exercise Price (cents)	Share Price at Grant Date (cents)	Fair Value of Option at Grant Date (cents)
1/04/2022	31/03/2027	950,000	1.1%	31.3%	1.8%	3.5	65.0	67.0	16.4
30/6/2023	29/06/2028	850,000	1.0%	24.0%	4.0%	3.5	51.0	58.0	15.7
28/6/2024	27/06/2029	850,000	1.0%	29.0%	4.1%	3.5	48.0	51.0	14.0

Table 4: Shareholdings of Directors and Executives

Ordinary shares held in Ariadne	Balance 1 July 2023	On Exercise of Options	Net Change Other	Balance 30 June 2024
Directors				
D Hancock	—	—	—	—
J Murphy	786,147	—	—	786,147
B Seymour	386,692	—	—	386,692
K Seymour, AM	13,987,394	—	—	13,987,394
D Smorgon	—	—	100,000	100,000
G Weiss, AM	65,739,743	—	9,361	65,749,104
Executives				
N McMahon	440,428	—	—	440,428
D Weiss	2,199	—	—	2,199
Total	81,342,603	—	109,361	81,451,964

All equity transactions with Directors and Executives other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length. Currently no Director or Executive has disclosed to Ariadne that they have used hedging instruments to limit their exposure to risk on either shares or options in Ariadne. The Group's policy is that the use of such hedging instruments is prohibited.

(c) Indemnification and insurance of Directors and Officers

Insurance and indemnity arrangements concerning Officers of the Group are in place. Ariadne's Constitution provides an indemnity (to the extent permitted by law) in favour of each Director, Secretary and Executive Officer. The indemnity is against any liability incurred by that person in their capacity as a Director, Secretary or Executive Officer to another person (other than Ariadne or a related body corporate), unless the liability arises out of conduct involving a lack of good faith. The indemnity includes costs and expenses incurred by an Officer in successfully defending that person's position. The Group has paid a premium insuring each Director, Secretary and full-time Executive of the Group against certain liabilities incurred in those capacities, to the extent permitted by law. Disclosure of premiums and coverage has not been included as such disclosure is prohibited under the terms of the contract of insurance.

(d) Loans to / from Directors and Executives

A 10% fixed interest-bearing payable-on-demand facility is provided to the Company by an entity controlled by non-executive alternate director Mr Kevin Seymour, AM. The facility's outstanding balance as at balance date is $2,745,691 (2023: $2,483,758), including $261,933 (2023: $236,330), of interest capitalised during the period. No other loans to or from Directors and Executives were made, repaid or outstanding during the current and prior financial periods.

(e) Other transactions and balances with Directors and Executives

Purchases / Payments

Mr Barter is an Executive Director of King River Capital Management Pty Ltd ("KRC"). The Group made investments of $1,184,371 (2023: $1,005,501) during the period which were associated with or otherwise managed by KRC. The Group paid management and performance fees of $236,671 (2023: $340,482) relating to investments managed by KRC.

Investments

The Group holds investments in, or managed by, entities where the officers of the Group hold a board position:

Coast Entertainment Holdings Limited	Dr G Weiss	Chairman
FinClear Holdings Limited	Mr D Hancock	Non-Executive Chairman & Founder
Hearts and Minds Investments Limited	Dr G Weiss	Non-Executive Director
Shriro Holdings Limited	Mr J Murphy	Non-Executive Director
Thorney Opportunities Limited	Dr G Weiss	Non-Executive Director

Directors' Report

(f) Historical Group Performance

The table below illustrates the Group's performance over the last five years. These results include non-recurring items and asset impairment write-downs.

	2024	2023	2022	2021	2020
Total comprehensive income / (loss) after tax attributable to members	**(128)**	(5,446)	23,328	36,678	(28,329)
Return on equity (%) (i)	**(0.1%)**	(3.3%)	14.6%	28.1%	(22.1%)
Total comprehensive earnings per share (cents)	**(0.07)**	(2.78)	11.89	18.69	(14.42)
Dividends paid / declared (cents)	**0.50**	0.75	0.75	—	1.70
Share price (cents at 30 June)	**51.00**	58.00	70.00	55.00	39.00
Net tangible assets per security (cents at 30 June)	**83.28**	83.65	87.09	75.90	57.21
Shares on issue (number at 30 June)	**195,431,838**	195,969,167	196,242,360	196,242,360	196,242,360

(i) Return on equity is calculated as total comprehensive income for the period divided by average equity for the period.

Remuneration Report (Audited) Ends

9. DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each of the Directors were as follows:

	Directors' Meetings	**Meetings of Committees Audit & Risk Management**
Number of meetings held:	**7**	**4**
Number of meetings attended:		
D Hancock	7	4
C Barter (retired on 8 May 2024)	5	2
J Murphy	7	4
B Seymour	7	n/a
K Seymour, AM (Alternate Director to Mr Ben Seymour)	1	n/a
D Smorgon	7	n/a
G Weiss, AM	7	n/a

Committee membership

As at the date of this report, Ariadne had an Audit and Risk Management Committee. Members acting on the Committee during the year were:

J Murphy (Chairman)

D Hancock

C Barter (retired on 8 May 2024)

10. ROUNDING

The amounts contained in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to Ariadne in accordance with ASIC Instruction 2016/191.

11. AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on the page 18 and forms part of the Directors' Report for the year ended 30 June 2024.

Directors' Report

12. NON-AUDIT SERVICES

There were no non-audit services provided by Ariadne's auditor, Grant Thornton Audit Pty Ltd in the current financial year. Non-audit services, provided to joint ventures and associates of the Group by network firms related to Grant Thornton Audit Pty Ltd, were NZ$33,500 (FY23 NZ$28,295).

Signed in accordance with a resolution of the Directors

Mr David Hancock
Chairman
Sydney
30 August 2024

Grant Thornton Audit Pty Ltd
Level 17
383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230

T +61 2 8297 2400

Auditor's Independence Declaration

To the Directors of Ariadne Australia Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Ariadne Australia Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M R Leivesley
Partner – Audit & Assurance

Sydney, 30th August 2024

#11799563v3

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	GROUP 2024 $'000	2023 $'000
CONTINUING OPERATIONS			
Interest income		**2,719**	2,193
Dividend income	4(a)	**1,572**	12,027
Net fair value movement of the trading portfolio		**1,133**	2,654
Net fair value gain on financial liabilities	18(c)	**1,787**	2,744
Net loss on foreign currency denominated accounts		**(259)**	(252)
Other income, gains & losses	4(b)	**516**	1,080
Share of joint ventures' and associates' profits / (losses)	13(b)	**1,572**	(1,221)
Employee benefits expense	4(c)	**(2,712)**	(2,509)
Depreciation	4(d)	**(401)**	(410)
Administration and other expenses		**(1,640)**	(2,023)
Finance costs		**(2,290)**	(2,327)
Impairment of other assets		**(856)**	(1,683)
PROFIT BEFORE INCOME TAX		**1,141**	10,273
Income tax expense	5(a)	**—**	—
PROFIT AFTER TAX FOR THE PERIOD		**1,141**	10,273
Attributable to:			
Non-controlling interests		**(430)**	(797)
MEMBERS OF ARIADNE		**1,571**	11,070
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Net fair value movement of the strategic portfolio revalued through OCI, net of tax	11	**144**	(15,163)
Items that may be reclassified subsequently to profit or loss			
Net fair value movement of property assets, net of tax		**(1,981)**	(3,591)
Exchange difference on translation of foreign operations		**(331)**	2,049
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**(2,168)**	(16,705)
Attributable to:			
Non-controlling interests		**(469)**	(189)
MEMBERS OF ARIADNE		**(1,699)**	(16,516)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**(1,027)**	(6,432)
Attributable to:			
Non-controlling interests		**(899)**	(986)
MEMBERS OF ARIADNE		**(128)**	(5,446)
Earnings per share			
Basic earnings per share (cents)	6	**0.80**	5.64
Diluted earnings per share (cents)	6	**0.80**	5.60
Comprehensive Earnings per share			
Basic earnings per share (cents)	6	**(0.07)**	(2.78)
Diluted earnings per share (cents)	6	**(0.07)**	(2.78)

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

Balance Sheet

AS AT 30 JUNE 2024

	Notes	GROUP 2024 $'000	2023 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	8	**22,869**	36,731
Receivables		**4,135**	2,045
Financial assets	9	**4,249**	3,477
Other current assets		**62**	1,756
Total Current Assets		**31,315**	44,009
Non-Current Assets			
Receivables	10	**20,571**	10,231
Financial assets	11	**72,857**	73,965
Investments in joint ventures and associates	13(b)	**80,218**	83,764
Right of use assets	18(a)	**869**	1,270
Total Non-Current Assets		**174,515**	169,230
TOTAL ASSETS		**205,830**	213,239
LIABILITIES			
Current Liabilities			
Trade and other payables		**497**	1,124
Lease liabilities	18(a)	**437**	406
Loans and borrowings	14	**12,741**	15,228
Provisions		**967**	882
Total Current Liabilities		**14,642**	17,640
Non-Current Liabilities			
Lease liabilities	18(a)	**551**	989
Loans and borrowings	14	**3,661**	4,594
Financial liabilities	18(c)	**10,082**	11,870
Provisions		**—**	21
Total Non-Current Liabilities		**14,294**	17,474
TOTAL LIABILITIES		**28,936**	35,114
NET ASSETS		**176,894**	178,125
EQUITY			
Issued capital	15(a)	**377,722**	377,998
Reserves	15(c)	**227,725**	217,184
Accumulated losses	15(d)	**(442,687)**	(431,258)
EQUITY ATTRIBUTABLE TO MEMBERS OF ARIADNE AUSTRALIA LIMITED		**162,760**	163,924
Non-controlling interests		**14,134**	14,201
TOTAL EQUITY		**176,894**	178,125

The balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

	Issued capital $'000 Note 15(a)	Reserves $'000 Note 15(c)	Accumulated losses $'000 Note 15(d)	ARIADNE $'000	Non-controlling interest $'000	GROUP $'000
FOR THE YEAR ENDED 30 JUNE 2023						
At 1 July 2022	378,156	216,860	(424,100)	170,916	15,330	186,246
Profit / (loss) for the period	—	18,294	(7,224)	11,070	(797)	10,273
Other comprehensive income	—	(16,516)	—	(16,516)	(189)	(16,705)
Total comprehensive income for the period	—	1,778	(7,224)	(5,446)	(986)	(6,432)
Transfer of reserves to accum. losses	—	(66)	66	—	—	—
Cost of share-based payment	—	84	—	84	—	84
Cost of shares bought back	(158)	—	—	(158)	—	(158)
Dividends	—	(1,472)	—	(1,472)	(143)	(1,615)
At 30 June 2023	377,998	217,184	(431,258)	163,924	14,201	178,125
FOR THE YEAR ENDED 30 JUNE 2024						
At 1 July 2023	**377,998**	**217,184**	**(431,258)**	**163,924**	**14,201**	**178,125**
Profit / (loss) for the period	**—**	**9,133**	**(7,562)**	**1,571**	**(430)**	**1,141**
Other comprehensive income	**—**	**(1,699)**	**—**	**(1,699)**	**(469)**	**(2,168)**
Total comprehensive income for the period	**—**	**7,434**	**(7,562)**	**(128)**	**(899)**	**(1,027)**
Transfer of reserves to accum. losses	**—**	**3,961**	**(3,961)**	**—**	**—**	**—**
Cost of share-based payment	**—**	**125**	**—**	**125**	**—**	**125**
Cost of shares bought back	**(276)**	**—**	**—**	**(276)**	**—**	**(276)**
Equity transactions with equity holders	**—**	**—**	**94**	**94**	**1,906**	**2,000**
Dividends	**—**	**(979)**	**—**	**(979)**	**(1,074)**	**(2,053)**
At 30 June 2024	**377,722**	**227,725**	**(442,687)**	**162,760**	**14,134**	**176,894**

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

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Notes	GROUP 2024 $'000	GROUP 2023 $'000
Cash flows from operating activities			
Receipts from other income		**372**	216
Payments to suppliers and employees		**(5,463)**	(4,435)
Dividends and trust distributions received		**4,393**	12,417
Receipts from trading portfolio sales		**1,317**	8,410
Payments for trading portfolio purchases		**(956)**	(2,806)
Interest received		**1,442**	1,382
Interest and borrowing costs paid		**(1,999)**	(2,054)
Lease liability interest paid	18(a)	**(28)**	(37)
Net cash flows (used in) / from operating activities	16	**(922)**	13,093
Cash flows from investing activities			
Proceeds from strategic portfolio disposals / return of capital	11	**4,483**	12,003
Payments for strategic portfolio additions	11	**(3,663)**	(3,006)
Payments for other strategic assets		**—**	(1,100)
Loans repaid		**—**	127
Convertible notes acquired		**(9,379)**	—
Net cash flows (used in) / from investing activities		**(8,559)**	8,024
Cash flows from financing activities			
Repayment of lease liabilities	18	**(407)**	(376)
Repayments of borrowings		**(3,645)**	(5,117)
Issue of equity in non-controlling interest		**2,000**	—
Payments under share buy-back	15(a)	**(276)**	(158)
Dividends paid to members of the parent entity	7	**(979)**	(1,472)
Dividends paid to non-controlling interests		**(1,074)**	(143)
Net cash flows used in financing activities		**(4,381)**	(7,266)
Cash and cash equivalents at beginning of period		**36,731**	22,880
Net (decrease) / increase in cash and cash equivalents		**(13,862)**	13,851
Cash and cash equivalents at end of period	8	**22,869**	36,731

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

Notes to Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

1. CORPORATE INFORMATION

The consolidated financial statements of Ariadne Australia Limited ("Ariadne") and its controlled entities ("the Group") for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 30 August 2024.

Ariadne is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

A description of the Group's operations and of its principal activities is included in the Directors' Report on pages 7 to 17.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements include the parent entity, Ariadne, and its controlled entities. The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards as issued by the Australian Accounting Standards Board ("AASB").

The financial report has been prepared on a historical cost basis, except for investments in financial instruments and property assets which have been measured at fair value.

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

The Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant and effective for the current year. There are no new, revised Standards, amendments thereof or Interpretations effective for the current year that have had a material impact on the Group.

In the application of the Group's accounting policies, management is required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily available or apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision.

(b) Compliance

The financial report also complies with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

(c) Future changes

AASB 18 replaces AASB 101 as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB-compliant financial statements. Amongst other changes, it introduces the concept of the "management-defined performance measure" to financial statements and requires the classification of transactions presented within the statement of profit or loss within one of five categories – operating, investing, financing, income taxes, and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information. The entity has not undertaken an assessment as to the impact of these changes at this stage.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Ariadne and its controlled entities. Control is achieved when the Group;

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for that part of the reporting period during which Ariadne had control.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(d) Basis of consolidation (continued)

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions, have been eliminated in full.

(e) Significant judgements and estimates

Critical accounting policies for which significant judgements, estimates and assumptions are made are detailed below. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial result or the financial position reported in future periods.

Details of the significant judgements and estimates made in relation to;

- the accounting policies applied when assessing the recoverable amount of the Group's assets and assets of joint ventures are disclosed in Note 2(f), Note 2(i) and in Note 13,
- the recoverability of income tax losses are disclosed in Note 5,
- the recoverability of receivables are disclosed in Note 10,
- determining the fair value of investment property are disclosed in Note 2(h),
- determining the fair value of investments are disclosed in Note 2(i) and Note 17(g).
- determining the fair value of financial liabilities are disclosed in Note 17(g) and 18(c).

AASB 10 Consolidated Financial Statements requires the parent company of a group to determine whether it meets the definition of an investment entity. An investment entity does not consolidate its subsidiaries, instead it measures an investment in a subsidiary at fair value through profit or loss. Management has assessed the criteria to be met that determine whether a parent company is an investment entity. Management have concluded that whilst some of the elements of an investment entity are present, all three elements are not present and therefore the investment entity definition is not met. The subsidiaries of Ariadne Australia Limited are therefore consolidated in accordance with the accounting policy in Note 2(d).

No other significant judgements or estimates that require additional disclosure in the financial report in the process of applying the Group's accounting policies have been made.

(f) Investments in joint ventures and associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits or losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements on a gross basis. Related party transactions are disclosed in Note 20. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(g) Foreign currency translation
Both the functional and presentation currency of Ariadne and all of its subsidiaries is Australian dollars ("AUD").

All transactions in foreign currencies are initially recorded in the functional currency of the relevant entity at the exchange rate applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency of the entity at the rate of exchange applicable at the Balance Sheet date.

Revenues derived and expenses incurred by entities with a functional currency other than AUD are translated into the Group's presentation currency using the average exchange rate applicable in the reporting period. Assets and liabilities are translated into AUD at the rate of exchange applicable at the Balance Sheet date. All exchange differences arising on the translation into the presentation currency of the Group are recorded in the foreign currency translation reserve.

(h) Investment properties
Investment properties are initially measured at cost, including any associated transaction costs of acquisition. Costs incurred in the day-to-day servicing of the asset are excluded from the cost base of the asset.

Subsequent to initial recognition, investment properties are stated at fair value. Market conditions applicable to the asset at Balance Sheet date are considered in assessing fair value. Gains or losses arising from changes in fair values are recognised in the consolidated Statement of Profit or Loss and Other Comprehensive Income in the year in which they arise.

When investment property is transferred to development inventories, the deemed cost of the inventory is its fair value as at the date of the change in use.

The fair value accounting for Orams Marine Village requires significant management judgement in respect of the capitalisation rate adopted within the Capitalisation Method Valuation and the discount rate and terminal yield adopted within the Discounted Cash Flow Valuation.

(i) Recoverable amount of assets
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 recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(j) Investments
The Group has two separate and distinct investment portfolios and designates its investments as either trading or strategic. The strategic portfolio is further broken down into strategic portfolio revalued through profit and loss and strategic portfolio revalued through other comprehensive income, both held for long term capital appreciation but differentiated by their accounting treatment under accounting standard *AASB 9 – Financial instruments.*

Additions for the trading portfolio are initially recognised at cost, being the fair value of the consideration given, whereas additions for the strategic portfolio are initially recognised at cost, being the fair value of the consideration given and acquisition charges associated with the investment.

Investments within all the portfolios are remeasured to fair value based on the appropriate level inputs at the end of the reporting period. Gains or losses on investments in the trading portfolio and the strategic portfolio revalued through profit and loss are recognised in the Statement of Profit or Loss and Other Comprehensive Income. In contrast, gains or losses on the strategic portfolio revalued through other comprehensive income are recognised as a separate component of equity and are not reclassified to the profit or loss on either its disposal or on recognition of an impairment charge. The fair value of investments are determined as set out in Note 17(g).

Investments remeasured to fair value are disclosed in Note 9 and Note 11.

(k) Recognition and derecognition of financial instruments
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(l) Receivables
Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for expected credit losses is recognised when a credit risk exists. Bad debts are written off when identified.

For receivables carried at amortised cost, gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when the receivables are derecognised or impaired, as well as through the amortisation process.

(m) Cash and cash equivalents
Cash and short-term deposits in the Balance Sheet comprise cash at bank and in hand and short-term deposits which are readily convertible to known amounts of cash and are subject to an insignificant change in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

(n) Interest-bearing loans and borrowings
All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when the liabilities are derecognised and as well as through the amortisation process.

(o) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(p) Share-based payment transactions
The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over Ariadne shares ("equity-settled transactions").

The cost of these equity-settled transactions is measured with reference to the fair value at the date at which the shares or rights over shares are granted. Fair value is determined using a Black Scholes model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired.

Previously recognised share based payment expenses are reversed in the Statement of Profit or Loss and Other Comprehensive Income to the extent that awards do not ultimately vest.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transactions as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(q) Leases
The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Some lease contracts contain both lease and non-lease components. These non-lease components are usually associated with facilities management services at offices and servicing and repair contracts in respect of motor vehicles. The Group has elected to not separate its leases for offices into lease and non-lease components and instead accounts for these contracts as a single lease component. For its other leases, the lease components are split into their lease and non-lease components based on their relative stand-alone prices.

Measurement and recognition of leases as a lessee
At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Group.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates.

(r) Revenue and other income
Revenue is recognised at an amount that reflects the consideration for which the Group is expecting to be entitled for transferring goods or services. The following specific recognition criteria must also be met before revenue is recognised:

Rental income
Rental income, which includes marina and office space revenue, is recognised over the period of time the tenant has the right to use the space.

Interest income
Revenue is recognised as the interest accrues using the effective interest method (which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividend income
Revenue is recognised when the shareholder's right to receive the payment is established.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(s) Employee benefits
Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include salaries/wages and on costs, leave provisions and superannuation.

Liabilities arising in respect of wages and salaries, annual leave, and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefit expenses and revenues arising in respect of the following categories:
- wages and salaries, non-monetary benefits, annual leave, long service leave, and other leave benefits; and
- other types of employee benefits

are recognised against profits on a net basis in their respective categories.

(t) Income tax
The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measure its tax balances either based on the most likely amount of the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided on all taxable temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:
- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, including unused tax losses, to the extent that it is probable taxable profit will be available against which the deductible temporary differences, and the carry-forward tax losses can be utilised:
- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Profit or Loss and Other Comprehensive Income.

(u) Other taxes
Revenues, expenses and assets are recognised net of the amount of GST except:
- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

(v) Earnings per share ("EPS")
Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares. Diluted EPS is calculated as net profit attributable to members, adjusted for

- costs of servicing equity (other than dividends) and preference share dividends; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(w) Land and buildings
As relating to our investments in joint ventures and associates, Land and buildings held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Depreciation for land and water right-of-use assets is recognised on a straight-line basis over 125 years to write down the cost less estimated residual value. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. Any revaluation increase arising on the revaluation of such land and buildings is credited to the property asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the property asset revaluation reserve relating to a previous revaluation of that asset.

3. SEGMENT INFORMATION

Segment accounting policies
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker. The Group's operating segments are identified by internal reporting used by the Board in assessing performance and determining investment strategy. The operating segments are based on a combination of the type and nature of products sold and/or services provided, and the type of business activity. Discrete financial information about each of these operating divisions is reported to the Board on a regular basis.

Reportable segments are based on aggregated operating segments determined by the similarity of the products sold and/or the services provided, and the type of business activity as these are the sources of the Group's major risks. Operating segments are aggregated into one reportable segment when they meet the qualitative and quantitative requirements for aggregation as prescribed by AASB 8 Operating Segments.

Segment products and locations
The Group's reportable segments are investments and property. The investments division comprises the Group's investments in securities. The property division includes all results derived from property and marina assets held by the Group, either directly or through joint venture entities or joint venture operations.

The consolidated entity's operations are located in Australasia.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

3. SEGMENT INFORMATION (Continued)

Reportable segment information	Notes	INVESTMENTS 2024 $'000	INVESTMENTS 2023 $'000	PROPERTY 2024 $'000	PROPERTY 2023 $'000	UNALLOCATED (i) 2024 $'000	UNALLOCATED (i) 2023 $'000	GROUP 2024 $'000	GROUP 2023 $'000
Revenue and Result									
Interest income		**1,620**	1,783	**1,099**	404	**—**	6	**2,719**	2,193
Dividend income	4(a)	**1,572**	12,027	**—**	—	**—**	—	**1,572**	12,027
Other income	4(b)	**14**	—	**575**	407	**358**	216	**947**	623
Net fair value movement of trading portfolio		**1,133**	2,654	**—**	—	**—**	—	**1,133**	2,654
Net fair value movement of strategic portfolio through profit/loss	4(b)	**(431)**	457	**—**	—	**—**	—	**(431)**	457
Net fair value gain / (loss) on financial liabilities	18(c)	**—**	—	**1,787**	2,744	**—**	—	**1,787**	2,744
Net gain / (loss) on foreign currency denominated accounts		**(12)**	6	**(247)**	(258)	**—**	—	**(259)**	(252)
Share of joint ventures' and associates' profit / (loss)	13(b)	**1,545**	1,561	**27**	(2,782)	**—**	—	**1,572**	(1,221)
Total segment revenue and other income (ii)		**5,441**	18,488	**3,241**	515	**358**	222	**9,040**	19,225
Net profit / (loss) for the year before income tax		**5,226**	16,568	**(12)**	(2,533)	**(4,073)**	(3,762)	**1,141**	10,273
Income tax expense	5(a)							**—**	—
Net profit / (loss) after income tax for the period								**1,141**	10,273
Assets									
Equity accounted investments	13(b)	**12,204**	13,515	**68,014**	70,249	**—**	—	**80,218**	83,764
Other assets		**97,562**	116,469	**17,245**	8,953	**10,805**	4,053	**125,612**	129,475
Total assets		**109,766**	129,984	**85,259**	79,202	**10,805**	4,053	**205,830**	213,239
Other segment information									
Depreciation		**—**	—	**—**	—	**401**	410	**401**	410
Finance costs		**2**	424	**1,685**	1,605	**603**	298	**2,290**	2,327
Net fair value movement of the strategic portfolio through OCI		**144**	(15,163)	**—**	—	**—**	—	**144**	(15,163)
Impairment provisions / (reversals)		**(244)**	1,053	**1,100**	630	**—**	—	**856**	1,683
Segment liabilities		**177**	4,144	**19,318**	24,422	**9,441**	6,548	**28,936**	35,114

(i) Unallocated segment includes management income, corporate costs and other corporate assets and liabilities.
(ii) Total revenues include the Group's share of joint ventures' and associates' profits /losses and other gains / losses recorded through profit and loss.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

4. REVENUES AND EXPENSES

Revenue and Expenses from Continuing Operations	Notes	GROUP 2024 $'000	GROUP 2023 $'000
(a) Dividend income			
Received from trading portfolio		**476**	446
Received from strategic portfolio (i)		**1,096**	11,581
		1,572	12,027

(i) The Group received a $11,094 cash distribution during the prior period from Coast Entertainment Group Limited ("Coast") by way of dividend following the completion of the sale of Coast's interest in its US business, Main Event Entertainment.

	Notes	2024 $'000	2023 $'000
(b) Other income, gain and losses			
Net fair value movement of the strategic portfolio through profit or loss (i)	11	**(431)**	457
Other income		**947**	623
		516	1,080

(i) Investments in the strategic portfolio revalued through profit or loss, are remeasured to fair value based on the appropriate level inputs at the end of the reporting period as outlined in Note 2(j) and Note 17(g). The carrying values of the strategic portfolio is disclosed in Note 11.

	Notes	2024 $'000	2023 $'000
(c) Employee benefits expense			
Salaries, wages and on costs		**2,353**	2,299
Leave provisions		**64**	(32)
Superannuation		**170**	158
Share-based payment expense		**125**	84
		2,712	2,509
(d) Depreciation			
Plant and equipment depreciation		**—**	**9**
Right of use asset depreciation	18(a)	**401**	**401**
		401	**410**

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

5. INCOME TAX

(a) Income tax expense reconciliation

A reconciliation between income tax expense and accounting profit / (loss) before income tax multiplied by the Group's applicable income tax rate is as follows:	Notes	GROUP 2024 $'000	GROUP 2023 $'000
Group accounting profit / (loss) after tax reported in the Statement of Profit or Loss and OCI		**1,141**	10,273
Income tax expense reported in the Statement of Profit or Loss and OCI		**—**	—
Group accounting profit / (loss) before income tax		**1,141**	10,273
At the Group's statutory income tax rate of 30% (2023: 25%)		**342**	2,568
Permanent differences		**547**	677
Other movements		**278**	498
Tax losses (utilised) / carried forward		**(1,167)**	(3,743)
Income tax expense reported in the Statement of Profit or Loss and OCI		**—**	—

(b) Deferred tax balances

Ariadne and its wholly owned Australian resident subsidiaries are part of a tax consolidated group. Ariadne, the head company, currently has significant carried forward income and capital tax losses that are available to offset future taxable profits. At 30 June 2024, these are estimated at $72,697 (2023: $75,859) and $83,910 (2023: $72,081) respectively. The full value attributable to these tax losses have not been recognised as an asset on the Balance Sheet.

In accordance with the Group's accounting policy for income tax, an assessment was undertaken to estimate the probable recoverability and sufficiency of the Group's deferred tax assets.

The assessment determined that no (2023: nil) deferred tax asset for the revenue tax losses carried by the Group be recognised at reporting date, as realisation of the benefit is not regarded as probable. The unrecognised value of the Group's deferred tax asset relating to revenue tax losses is set out in the table below. The value of the deferred tax asset relating to revenue tax losses will only be realised if:

(a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised; and
(b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
(c) no changes in tax legislation adversely affect the consolidated entity in realising the benefit.

The assessment also concluded that there is insufficient evidence to estimate future capital gains and losses other than those non-current assets which are carried at fair value under accounting standards. As such, a deferred tax asset of $246 (2023: nil), equal to the deferred tax liability on the net temporary differences of financial assets held on capital account, has been recognised at balance date. The recognised and unrecognised value of the Group's deferred tax asset relating to capital tax losses is set out in the table below.

	2024 $'000	2023 $'000
Recognised deferred tax assets / (liabilities) comprises:		
Tax losses - revenue	**—**	—
Tax losses - capital	**246**	—
Temporary differences		
Financial assets held in the strategic portfolio	**(246)**	—
Net deferred tax asset recognised	**—**	—
Unrecognised deferred tax assets comprises:		
Tax losses - revenue	**21,809**	18,965
Tax losses - capital	**24,927**	18,020
Net deferred tax asset unrecognised	**46,736**	36,985

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

6. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing net profit or loss for the year attributable to ordinary equity holders of Ariadne by the weighted average number of ordinary shares outstanding during the year as outlined in Note 2(v).

Diluted EPS amounts are calculated by dividing the net profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	ARIADNE	
	2024	2023
Earnings and share data used in the calculations of basic and diluted earnings per share:		
Net profit / (loss) attributable to members ($'000)	**1,571**	11,070
Earnings used in calculating basic and diluted EPS ($'000)	**1,571**	11,070
Total comprehensive income attributable to members ($'000)	**(128)**	(5,446)
Total comprehensive earnings used in calculating basic and diluted EPS ($'000)	**(128)**	(5,446)
Weighted average number of ordinary shares used in calculating basic EPS	**195,801,380**	196,191,315
Effect of dilutive securities:		
Employee share options	**1,700,000**	1,450,000
Weighted average number of ordinary shares used in calculating diluted EPS	**197,501,380**	197,641,315
Basic EPS (cents per share)	**0.80**	5.64
Diluted EPS (cents per share)	**0.80**	5.60
Total comprehensive EPS (cents per share)	**(0.07)**	(2.78)
Total comprehensive diluted EPS (cents per share)	**(0.07)**	(2.78)

7. DIVIDENDS PAID AND PROPOSED ON ORDINARY SHARES

	$'000	$'000
Dividends paid during the year:		
FY23 Final fully franked dividend of 0.25 cents per share (2022: fully franked 0.75 cents)	**490**	1,472
FY24 Interim fully franked dividend of 0.25 cents per share (2023: nil)	**489**	—
	979	1,472
Dividends proposed:		
FY24 Final fully franked dividend of 0.50 cent per share (2023: fully franked 0.25 cents)	**977**	490
	977	490

The Directors have declared a fully franked final dividend of $977 (0.50 cents per share) in relation to the 2024 financial year. As the final dividend for 2024 was declared after balance date, no liability was recognised at balance date.

Franking Account
The amount of franking credits available for distribution from the franking account at year end was $776 (2023: $475). The final dividend for 2024 is fully franked.

8. CASH AND CASH EQUIVALENTS

		GROUP	
	Notes	**2024 $'000**	2023 $'000
Cash at call		**10,269**	14,131
Cash on term deposit		**12,600**	22,600
		22,869	36,731

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

9. FINANCIAL ASSETS (CURRENT)

Investments in the trading portfolio were valued at $4,249 (2023: $3,477) at period end and are remeasured to fair value based on the appropriate level inputs at the end of the reporting period as outlined in Note 2(j) and Note 17(g).

10. RECEIVABLES (NON-CURRENT)

		GROUP	
		2024	2023
	Notes	**$'000**	$'000
Related entity loans and advances	20(i)	**5,646**	5,237
Related entity convertible notes (i)		**9,614**	—
Total related entity receivables		**15,260**	5,237
Other loans and advances		**5,311**	4,994
		20,571	10,231

(i) During the period the Group, via its controlled entity Orams NZ Unit Trust ("ONZUT"), subscribed for a NZ$10,000 convertible note ("Note") issued by Orams Group Limited ("OGL"). The terms of the Note provide for interest at Westpac NZ's 90 day bank bill bid rate plus 5.50% to be capitalised and for the right to convert to equity on the issue of new equity in OGL to a third party and/or if not otherwise redeemed, at maturity in November 2025. The related party loans, advances and convertible notes, together $15,260 (30 June 2023: $5,237), to OGL are directly supported by the assets of the borrower.

11. FINANCIAL ASSETS (NON-CURRENT)

Fair value at initial recognition	**72,038**	75,238
Accumulated fair value adjustments	**819**	(1,273)
Net carrying amount	**72,857**	73,965
Reconciliations for listed strategic investments		
Opening balance	**37,162**	61,046
Additions	**730**	2,000
Fair value adjustments through other comprehensive income (i)	**4,947**	(15,377)
Disposals / return of capital	**(4,483)**	(10,507)
Net carrying amount of listed investments	**38,356**	37,162
Reconciliations for unlisted strategic investments		
Opening balance	**36,803**	36,622
Additions	**2,932**	1,006
Fair value adjustments through profit or loss (i)	**(431)**	457
Fair value adjustments through other comprehensive income (i)	**(4,803)**	214
Disposals	**—**	(1,496)
Net carrying amount of unlisted investments	**34,501**	36,803

(i) Investments in the strategic portfolio are remeasured to fair value based on the appropriate level inputs at the end of the reporting period as outlined in Note 2(j) and Note 17(g).

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

12. CONTROLLED ENTITIES

NAME	Place of incorporation	Percentage of equity held by Ariadne 2024	2023
Ariadne Administration Pty Ltd	QLD	**100**	100
Ariadne Capital Pty Ltd	QLD	**100**	100
Ariadne Financial Services Pty Ltd	NSW	**100**	100
Ariadne Freehold Pty Ltd	NSW	**100**	100
Ariadne Holdings Pty Ltd	ACT	**100**	100
Ariadne Investment Holdings Pty Ltd	QLD	**100**	100
Ariadne Marinas Oceania Pty Ltd	QLD	**100**	100
Ariadne Properties Pty Ltd	QLD	**100**	100
Delta Equities Pty Ltd	NSW	**100**	100
Freshxtend International Pty Ltd	QLD	**53**	53
Orams NZ Unit Trust ("ONZUT")	QLD	**80**	80
Portfolio Services Pty Ltd	QLD	**100**	100
Teldar Associates Pty Ltd	NSW	**100**	—
Entities deregistered during the reporting period			
ATP Tower Pty Ltd	NSW	**—**	48
ATP Tower Unit Trust	NSW	**—**	48
Redfern Property SPV 1 Pty Ltd	NSW	**—**	100
Redfern Trust	NSW	**—**	48

13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(a) Details of the Group's investment in joint ventures and associates

Name	Principal activity	Place of incorporation	Proportion of ownership interest and voting power held by the Group 2024	2023
Orams Group Limited (i)	Marina management	NZ	**76%**	76%
Orams Residential Limited (i)	Residential development	NZ	**76%**	76%
Lake Gold Pty Ltd	Mineral exploration	Australia	**50%**	50%
AgriCoat NatureSeal Limited	Food life extension technology	UK	**17%**	17%
NatureSeal Inc	Food life extension technology	US	**17%**	17%

(i) Although the Group owns 76% of the equity and voting interest in Orams Group Limited and Orams Residential Limited, the Shareholders Agreement for each company requires that the two majority shareholders must act together to direct the relevant activities of the company, therefore no individual shareholder has control.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (Continued)

(b) Aggregate information of joint ventures and associates

	Notes	GROUP 2024 $'000	GROUP 2023 $'000
Balance at the beginning of the reporting period		**83,764**	87,480
Share of joint ventures' and associates' (losses) / profits		**1,572**	(1,221)
Share of joint ventures' and associates' reserves		**(2,297)**	(1,616)
Impairment of joint ventures' and associates'		**—**	(489)
Distributions received from joint ventures and associates		**(2,821)**	(390)
Carrying amount of investment in joint ventures and associates at reporting period end		**80,218**	83,764

The Group's share of joint ventures' and associates' commitments and contingent liabilities is disclosed in Note 18.

(c) Summary financial information of material joint ventures and associates

Financial metrics for Orams Group Limited	**Notes**	**2024 NZ$'000**	2023 NZ$'000
Revenue		**42,056**	33,314
Interest expense		**(9,709)**	(8,152)
Depreciation		**(2,332)**	(2,031)
Income tax		**270**	(127)
Profit		**16**	(612)
Share of profit at 76%		**12**	(465)
Other comprehensive income		**(2,850)**	(5,113)
Share of other comprehensive income at 76%		**(2,165)**	(3,883)
Cash and cash equivalents		**323**	1,107
Current assets		**49,724**	49,545
Total assets		**222,641**	227,795
Current liabilities		**(15,220)**	(13,169)
Total liabilities		**(127,030)**	(129,350)
Net assets		**95,611**	98,445
Share of net assets at 76%		**72,616**	74,769

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

14. LOANS AND BORROWINGS

	Notes	GROUP 2024 $'000	2023 $'000
Current			
Related party facilities (i)		**2,746**	2,484
Interest bearing facilities (ii)		**7,250**	8,150
NZ-dollar interest bearing facilities (iii)		**2,745**	4,594
		12,741	15,228
Non-current			
NZ-dollar interest bearing facilities (iii)		**3,661**	4,594
Total loans and borrowings		**16,402**	19,822

(i) A 10% fixed interest-bearing payable-on-demand facility is provided to the Company by an entity controlled by non-executive alternate director Mr Kevin Seymour, AM. The facility's outstanding balance as at balance date is $2,746, including $262 (2023: $236) of interest capitalised during the period, see also Note 20(ii).

(ii) The Group repaid $900 (2023: $500) of its bank loan facility during the period, reducing the Group's drawn bank loan facility to $7,250 (2023: $8,150). The 12-month rolling facility is a variable interest rate facility that averaged 6.7% during the period. Ariadne has provided a guarantee for this finance facility, refer to Note 18(c).

(iii) ONZUT repaid NZ$3,000 (2023: NZ$5,000) during the period, leaving a facility balance of NZ$7,000 (2023: NZ$10,000) at period end. The variable interest rate facility averaged 12.1% (2023: 8.7%) during the period. The facility was extended by a further fourteen months to September 2025, with NZ$3,000 (A$2,745) due in May 2025. Ariadne has provided a guarantee on behalf of ONZUT for this finance facility, refer to Note 18(c).

Financing facilities available		2024	2023
Total facilities			
Bank loan facilities		**14,956**	18,714
Related party facilities	20(ii)	**2,746**	2,484
Other facilities not recorded on the Group's Balance Sheet (i)	18(c)	**11,049**	20,281
Facilities used at reporting date			
Bank loan facilities		**13,656**	17,339
Related party facilities		**2,746**	2,484
Other facilities not recorded on the Group's Balance Sheet (i)		**10,936**	20,168
Facilities unused at reporting date			
Bank loan facilities		**1,300**	1,375
Related party facilities		**—**	—
Other facilities not recorded on the Group's Balance Sheet (i)		**113**	113

(i) Other facilities not recorded on the Group's Balance Sheet include a $525 Bank Guarantee facility and a NZ$11,500 Standby Letter of Credit facility.

15. CONTRIBUTED EQUITY AND RESERVES

(a) Ordinary Ariadne shares on issue

	Note	2024 Number of shares	2024 $'000	2023 Number of shares	2023 $'000
At beginning of the reporting period		**195,969,167**	**377,998**	196,242,360	378,156
Shares bought back		**(537,329)**	**(276)**	(273,193)	(158)
Balance at reporting period end		**195,431,838**	**377,722**	195,969,167	377,998

On 1 March 2024, as part of ongoing capital management initiatives, Ariadne extended its on-market buy-back facility, allowing up to 10% of its capital to be repurchased, for a further twelve months. The buy-back is for the purpose of acquiring shares where they are trading at prices below the Board's opinion of the intrinsic value of the shares, such acquisitions benefiting all shareholders. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of Ariadne.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

15. CONTRIBUTED EQUITY AND RESERVES (Continued)

(b) Share Options

Employee options over Ariadne ordinary shares	ARIADNE 2024 Number of options	2023 Number of options
At beginning of the reporting period	**2,300,000**	1,650,000
Employee share options issued	**850,000**	1,150,000
Employee share options expired	**(500,000)**	(500,000)
Employee share options exercised	**—**	—
Balance at reporting period end	**2,650,000**	2,300,000

Each option entitles the holder to purchase one ordinary share. Further details of the terms and conditions of the options are set out in the Remuneration Report.

(c) Reserves

	Share options reserve $'000	Financial asset revaluation reserve $'000	Property asset revaluation reserve $'000	Foreign currency translation reserve $'000	Profits reserve $'000	Capital profits reserve $'000	ARIADNE $'000
At 1 July 2022	140	7,203	10,448	(123)	118,892	80,300	216,860
Current year profits to profit reserve	—	—	—	—	18,294	—	18,294
Movements through OCI, net of tax	—	(15,163)	(2,872)	1,519	—	—	(16,516)
Movements within reserves	—	(820)	—	—	—	820	—
Transfer of reserves to accum. losses	(66)	—	—	—	—	—	(66)
Cost of share-based payment	84	—	—	—	—	—	84
Dividends	—	—	—	—	(1,472)	—	(1,472)
At 30 June 2023	**158**	**(8,780)**	**7,576**	**1,396**	**135,714**	**81,120**	**217,184**
Current year profits to profit reserve	**—**	**—**	**—**	**—**	**9,133**	**—**	**9,133**
Movements through OCI, net of tax	**—**	**144**	**(1,585)**	**(258)**	**—**	**—**	**(1,699)**
Movements within reserves	**—**	**(594)**	**—**	**—**	**—**	**594**	**—**
Transfer of reserves to accum. losses	**(61)**	**4,022**	**—**	**—**	**—**	**—**	**3,961**
Cost of share-based payment	**125**	**—**	**—**	**—**	**—**	**—**	**125**
Dividends	**—**	**—**	**—**	**—**	**(979)**	**—**	**(979)**
At 30 June 2024	**222**	**(5,208)**	**5,991**	**1,138**	**143,868**	**81,714**	**227,725**

Nature and purpose of reserves

Share options reserve
The share options reserve records the value of equity benefits outstanding, provided to employees as part of their remuneration.

Property asset revaluation reserve
The property asset revaluation reserve records the Group's share of joint ventures' and associates' movements in the fair value of property assets net of tax as recognised in other comprehensive income.

Financial asset revaluation reserve
The financial asset revaluation reserve records the Group's share of movements in the fair value of the strategic portfolio net of tax as recognised in other comprehensive income.

Foreign currency translation reserve
The foreign currency translation reserve records exchange differences arising from the translation of the financial statements of foreign subsidiaries, joint ventures and associates with a non-Australian dollar functional currency as recognised in other comprehensive income.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

15. CONTRIBUTED EQUITY AND RESERVES (Continued)

(c) Reserves (Continued)

Profit reserve
The profit reserve is used to accumulate distributable profits, preserving the characteristics of profit by not appropriating against prior year accumulated losses. The reserve can be used to pay taxable dividends.

The 30 June 2024 amount carried to profits reserve (in accordance with director resolutions) of $9,133 (2023: $18,294) includes an amount of $9,133 (2023: $18,294) relating to subsidiary entities and is not available for distribution as frankable dividends to the equity holders of Ariadne at 30 June 2024.

Capital profits reserve
The capital profits reserve is used to accumulate realised capital profits. The reserve can be used to pay dividends or issue bonus shares. $594 (2023: $820) was carried to capital profits reserve during the period.

(d) Accumulated losses

		GROUP	
	Notes	**2024 $'000**	2023 $'000
Opening balance		**(431,258)**	(424,100)
Transfer of reserves to accumulated losses		**(3,961)**	66
Equity transactions with equity holders		**94**	—
Net loss not carried to profit reserve		**(7,562)**	(7,224)
Closing balance		**(442,687)**	(431,258)

16. CASH FLOW STATEMENT RECONCILIATION

Reconciliation of the net profit after tax to the net cash flows from operations

Net profit after tax		**1,141**	10,273
Adjustments for:			
Share options expense	4(c)	**125**	84
Depreciation of right of use assets	18(a)	**401**	401
Depreciation of non-current assets		**—**	9
Impairments		**856**	1,683
Share of joint ventures' and associates' (profits) / losses	13(b)	**(1,572)**	1,221
Distributions received from joint ventures and associates	13(b)	**2,821**	390
Fair value gain on financial liability	18(c)	**(1,787)**	(2,744)
Transfers to provisions:			
(Decrease) / increase in employee entitlements	4(c)	**64**	(32)
Changes in assets and liabilities:			
(Increase) / decrease in receivables		**(2,536)**	(1,380)
(Increase) / decrease in trading portfolio		**(772)**	2,950
(Increase) / decrease in strategic portfolio revalued through profit or loss	4(b)	**431**	(457)
(Increase) / decrease in prepayments		**(7)**	11
(Decrease) / increase in payables and accruals		**(55)**	269
Effects of exchange rate changes on cash held in foreign currencies		**(32)**	415
Net cash flows (used in) / from operating activities		**(922)**	13,093

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

17. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's principal financial instruments include cash and short-term deposits, bank loans, receivables and financial assets. These financial instruments are maintained to ensure the Group's operations are appropriately and efficiently financed through a combination of debt and equity, and to enable future investment activities to be undertaken in accordance with the strategic directives of management and the Board.

The Group also has a number of other financial assets and liabilities, such as trade receivables and trade payables. These arise directly from operating activities and comprise working capital balances.

The main risks arising from the Group's financial instruments are price risk and credit risk. The Group's price risk and credit risk policies are included in Note 17(d) and Note 17(e) below. Policies for managing these risks are issued by the Board.

Details of the material accounting policies and methods adopted, including criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

(b) Interest rate risk

The Group's exposure to the risk of changes in interest rates primarily affects cash on deposit, loans and receivables. The Group's policy with respect to controlling this risk is to utilise a mix of fixed and variable deposits with terms matched to known cash flows, taking into consideration rates offered at various financial institutions. Reviews of cash deposits, future cash needs and rates offered on various financial products take place regularly. Consideration is given to potential renewals of existing positions, alternative products and investment options, substitute financing arrangements, alternative hedging positions, terms of deposits/borrowings and interest rate exposure. Where appropriate, fixed rate interest instruments are negotiated to mitigate any significant rate movement.

At balance date, the Group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk:

	GROUP	
	2024 $'000	2023 $'000
Financial Assets		
Cash and cash equivalents	**22,869**	36,731
Related party loans	**15,260**	5,237
Total financial assets exposed to interest rate risk	**38,129**	41,968
Financial Liabilities		
Advanced facilities and commercial bills	**13,656**	19,822
Total financial liabilities exposed to interest rate risk	**13,656**	19,822
Net exposure	**24,473**	22,146

The following sensitivity analysis is based on the interest rate risk exposures in existence throughout the period. If interest rates had been 1% (100 basis points) higher or lower, with all other variables held constant, post tax profit would have been $153 (2023: $247) higher or lower.
The movement in profit is due to higher / lower interest rates from variable rate cash deposits, receivables and debt.

The estimated effect on Group profit that would arise as a result of a change to variable rates as disclosed above reflects the net cash position of the Group throughout the year.

(c) Foreign currency risk

The Group may at times be exposed to foreign currency risk arising from holding financial instruments denominated in foreign currencies. Foreign currency denominated financial instruments are generally held for strategic purposes and are translated to Australian Dollars each reporting date. At reporting date, the exposure to financial instruments denominated in foreign currencies was $34,816 (2023: $23,664). If the foreign exchange rates financial instruments denominated in foreign currencies had been 10% higher or lower at balance date, the Group would be impacted through profit or loss by $2,060 higher or lower (2023: $1,031) and through equity by $1,422 higher or lower (2023: $1,335).

The Group holds material investments in joint ventures and associates that are located in foreign currency jurisdictions where the Group's share of results denominated in foreign currencies are translated to Australian Dollars. At reporting date, the exposure to joint ventures and associates reporting in a foreign currency was $76,906 (2023: $80,604). If the foreign exchange rates of investments in foreign joint ventures and associates had been 10% higher or lower at balance date, the Group would be impacted through equity by $7,691 higher or lower (2023: $8,060).

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

17. FINANCIAL INSTRUMENTS (Continued)

(c) Foreign currency risk (Continued)
Throughout the year the Group conducted business with international associates and suppliers involving transactions in foreign currencies. The Group's exposure to movements in exchange rates is minimal due to the small number, size and nature of these operational transactions.

(d) Price risk
The Group may at times be exposed to price risk arising from holding listed securities. Listed securities are held for both strategic and trading purposes. All listed securities are remeasured to fair values using Level 1 inputs as determined by reference to the quoted market close price at balance date.

At reporting date, the exposure to listed securities was $42,605 (2023: $40,639). If the price of listed securities had been 10% higher or lower at balance date, the Group would be impacted through income or equity by $4,261 higher or lower (2023: $4,064).

(e) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables and cash on deposit.

Management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all counterparties and customers requiring material credit amounts. Credit risk is spread across counterparties when possible, and where appropriate collateral and other guarantees in respect of financial assets are required.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Balance Sheet.

There are no material receivables as at the reporting date that management considered unlikely to be recoverable and no material receivables are past due that have not already been provided for in Note 10.

(f) Liquidity risk
The Group manages liquidity risk by maintaining adequate cash reserves and banking facilities. Forecast and actual cash flows are continuously monitored with the maturity profiles of the majority of financial assets and liabilities matched.

The liquidity analysis below has been determined based on contracted maturity dates and circumstances existing at reporting date. The expected timing of actual cash flows from these financial instruments may differ.

Financial liabilities due within	6 months or less $'000	6 – 12 months $'000	1 – 5 years $'000	GROUP $'000
30 June 2024				
Trade and other payables	**427**	**—**	**—**	**427**
Lease liabilities	**219**	**219**	**551**	**989**
Loans and borrowings	**2,746**	**9,995**	**3,661**	**16,402**
Other payables	**69**	**—**	**10,082**	**10,151**
Total financial liabilities exposed to liquidity risk	**3,461**	**10,214**	**14,294**	**27,969**
30 June 2023				
Trade and other payables	1,124	—	—	1,124
Lease liabilities	203	203	989	1,395
Loans and borrowings	2,484	12,744	4,594	19,822
Other payables	—	—	11,869	11,869
Total financial liabilities exposed to liquidity risk	3,811	12,947	17,452	34,210

(g) Fair values
The carrying amounts and estimated fair values of financial assets and financial liabilities for the Group held at balance date are determined as disclosed below. The fair value of a financial asset or a financial liability is the amount 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 under current market conditions.

The following methods and assumptions are used to determine the net fair value of each class of financial instrument:

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

17. FINANCIAL INSTRUMENTS (Continued)

(g) Fair values (Continued)

Cash
The carrying amount approximates fair value because of its short-term to maturity.

Trade and other receivables
The carrying amount approximates fair value.

Investments
The Australian accounting standards set out the following hierarchy for fair value measurement for investments in financial instruments which are set out as below:

Level 1: - Quoted prices in active markets for identical assets or liabilities.
Level 2: - Inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).
Level 3: - Inputs that are not based on observable market data.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The following table shows the levels within the hierarchy of financial assets measured at fair value on a recurring basis.

Financial Assets	Notes	Level 1	Level 2	Level 3	Total
30 June 2024					
Listed trading investments	9	**4,249**	**—**	**—**	**4,249**
Listed strategic investments	11	**38,356**	**—**	**—**	**38,356**
Unlisted strategic investments	11	**—**	**20,406**	**14,095**	**34,501**
Total Financial Assets		**42,605**	**20,406**	**14,095**	**77,106**
30 June 2023					
Listed trading investments	9	3,477	—	—	3,477
Listed strategic investments	11	37,162	—	—	37,162
Unlisted strategic investments	11	—	19,448	17,355	36,803
Total Financial Assets		40,639	19,448	17,355	77,442

Reconciliation of Level 3 - Financial Assets	2024 $'000	2023 $'000
Opening balance	**17,355**	—
Transfers in from Level 2	**1,264**	17,355
Fair value adjustments through other comprehensive income	**(4,524)**	—
Closing balance	**14,095**	17,355

The Group has two separate and distinct investment portfolios and designates its investments as either trading or strategic. Investments within all the portfolios are remeasured to fair value based on the appropriate level inputs at the end of the reporting period. All listed securities are remeasured to fair values using Level 1 inputs as determined by reference to the quoted market close price at balance date. Unlisted securities are remeasured to fair values using Level 2 inputs calculated by reference to the fair value of the underlying net assets or last transaction price at balance date.

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

1. Market approach: Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities, including ongoing discussions with potential purchasers.
2. Income approach: Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
3. Cost approach: Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

17. FINANCIAL INSTRUMENTS (Continued)

(g) Fair values (Continued)

Investments (continued)
Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Where an arm's length transaction for a significant amount of new investment into a company has been made within twelve months to balance sheet date, but only if the new investment is deemed to represent fair value, this transaction is adopted as fair value for the particular investment and is adjusted to reflect market development between the time of acquisition and balance sheet date.

For investments which are considered to be early and development stage, but have not yet obtained sustainable profitability, when determining the fair value of the investment the Group applies the revenue multiple method. Under this method, the enterprise value is derived by multiplying the normalised historical or projected revenue of the business with a multiple or range of multiples. The multiple or range of multiples applied should be an appropriate and reasonable indication of the value of each investee, given the investee's size, risk profile, and growth prospects. The multiple or range of multiples is usually derived from market data observed for entities considered comparable to the companies being valued. Specific adjustments may be made based on each company's unique characteristics, including growth rate, market position, and scalability potential. Revenue multiples hold a positive linear relationship to the determination of fair value, such that as the multiple increases/(decreases) so too does the calculated fair value.

Investee	Fair Value as at June 2024	Level	Valuation Technique	Significant Unobservable Input	Range of Unobservable Inputs
FinClear Holdings Limited	$11,445	3	Revenue Multiple	Revenue Multiple	6.0x-9.6x
Lark Technologies Inc.	$1,384	3	Revenue Multiple	Revenue Multiple	7.3x-11.2x
Immutable Pty Ltd	$1,266	3	Revenue Multiple *	Revenue Multiple *	4.7x-7.7x

* adjusted for the growth rate of the company

There were no changes during the year in the valuation techniques used by the Group to determine Level 3 fair values.

The following table shows the levels within the hierarchy of financial liabilities measured at fair value on a recurring basis.

Financial Liabilities	Notes	Level 1	Level 2	Level 3	Total
30 June 2024					
Contingent Consideration	18(c)	**—**	**10,082**	**—**	**10,082**
Total Financial Liabilities		**—**	**10,082**	**—**	**10,082**
30 June 2023					
Contingent Consideration	18(c)	—	11,870	—	11,870
Total Financial Liabilities		—	11,870	—	11,870

Contingent Consideration has been remeasured to fair value using a Level 2 input, share of net assets. For more information refer to Note 18(c).

Trade and other payables
The net fair value of accounts payable is based on the expected future cash out flows required to settle liabilities. As such carrying value approximates fair value.

Loans to and from related parties
The net fair value of loans receivable and payable is based on expected future cash flows. As such carrying value approximates fair value.

Advance facilities
The net fair value of advance facilities is equal to the face value of these facilities at balance date net of borrowing costs. As such carrying value approximates fair value.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

18. LEASES, COMMITMENTS AND CONTINGENCIES

(a) Leases
The Group enters into leases as a means of acquiring access to office space. The Group's lease liabilities total $988 (2023: $1,395) with $437 (2023: $406) current and $551 (2023: $989) non-current.

During the period, right of use assets were depreciated by $401 (2023: $401) and lease rental payments of $435 (2023: $413) were used to reduce the lease liabilities by $407 (2023: $376) and meet $28 (2023: $37) of lease liability interest. At balance date, the carrying value of the Group's right of use assets were $869 (2023: $1,270).

(b) Commitments
The Group enters into contractual capital commitments with investment vehicles from time to time, as at balance date the Group's uncalled capital commitments were $2,049 (2023: $1,979).

(c) Contingent liabilities and guarantees

Controlled entities, associates and joint ventures
Ariadne, including some of its subsidiaries, have given guarantees and indemnities in relation to the borrowings and performance of several of its controlled entities under agreements entered into by those entities. All borrowings and performance obligations are directly supported by assets in the entities on the behalf of which these guarantees and indemnities have been provided.

The Group acquired an additional equity interest in the ONZUT on a deferred basis from an existing unitholder on 14 July 2020, increasing the Group's interest in ONZUT to 80%. The terms of the acquisition provide that the ultimate purchase price will be determined and paid following completion of the Site 18 Stage 1 Works (as defined in the Development Agreement with Panuku Development Auckland) which is expected to be before December 2028. At balance date the estimated maximum Contingent Consideration was $10,082 (30 June 2023 $11,870), a reduction of $1,787 (2023: reduction of $2,744) during the period.

Details of finance facilities for the controlled entities are included in Note 14. Ariadne has guaranteed $19,549 (2023: $29,776) of the borrowing obligations under these facilities which includes a NZ$11,500 (2023: NZ$21,500) Standby Letter of Credit issued to Westpac NZ on behalf of Orams.

Ariadne has also provided a guarantee on behalf of ONZUT for finance facilities totalling NZ$5,600 (2023: NZ$8,000). The assets provided by ONZUT as security in relation to its finance facilities are sufficient to meet its obligations.

19. PARENT ENTITY INFORMATION

Information relating to Ariadne Australia Limited	ARIADNE 2024 $'000	ARIADNE 2023 $'000
Current assets	**—**	—
Total assets	**34,777**	36,032
Current liabilities	**—**	—
Total liabilities	**—**	—
Issued capital	**377,721**	377,998
Reserve – capital profits	**2,955**	2,955
Reserve – profits	**26,278**	27,256
Reserve – options	**222**	158
Accumulated losses	**(372,399)**	(372,335)
Total shareholders' equity	**34,777**	36,032
Loss of the parent entity	**(125)**	(84)
Total comprehensive income of the parent entity	**(125)**	(84)

The nature and purpose of each reserve is disclosed in Note 15(c) and details of guarantees given are recorded in Note 18(c).

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except investments in subsidiaries, associates and joint venture entities are accounted for at cost and dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

20. RELATED PARTY DISCLOSURES

Ultimate parent
Ariadne Australia Limited is the ultimate parent company.

Related parties within the Group
Balances and transactions between Ariadne's controlled entities have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Other related party balances and transactions

Balance / transaction type	Class of related party	Notes	GROUP 2024 $	GROUP 2023 $
Loans and convertible notes to related parties				
Loans advanced	Equity accounted investment	(i)	**434,359**	336,121
Loans repaid	Equity accounted investment		**—**	126,855
Convertible notes acquired	Equity accounted investment		**9,841,610**	—
Loans outstanding	Equity accounted investment	(i)	**5,645,606**	5,236,901
Convertible notes outstanding	Equity accounted investment		**9,614,150**	—
Loans from related parties				
Loans received	Director related entity	(ii)	**261,933**	236,330
Loans outstanding	Director related entity	(ii)	**2,745,691**	2,483,758
Investments in related parties				
Investments in financial assets	Director related entity	(iii)	**1,184,371**	1,005,501
Investments in financial assets	Director related entity	(iv)	**11,444,614**	13,174,920
Other transactions with related parties				
Rent impaired	Equity accounted investment		**—**	(97,146)
Interest received or receivable	Equity accounted investment	(i)	**482,621**	373,468
Interest paid or payable	Equity accounted investment	(ii)	**261,933**	236,330
SBLC fee received or receivable	Equity accounted investment	(v)	**574,846**	407,481
Management fees paid or payable	Director related entity	(vi)	**236,671**	340,482
Consulting fees paid or payable	Director		**—**	18,587
Dividends and distributions received	Equity accounted investment	13(b)	**2,821,256**	390,061

All transactions with related parties are conducted on normal commercial terms and conditions.

(i) At balance date, the Group had a $5,645,606 loan to Orams Group Limited ("OGL"), which includes an amount of $434,359 ($336,121 interest net of withholding tax) capitalised during the period.
(ii) A 10% fixed interest-bearing payable-on-demand facility is provided to the Company by an entity controlled by non-executive alternate director Mr Seymour, AM. The facility's outstanding balance as at balance date is $2,745,691, including $261,933 of interest capitalised during the period.
(iii) Mr Barter is an Executive Director of King River Capital Management Pty Ltd ("KRC"). The Group made investments of $1,184,371 during the period which were associated or otherwise managed by entities related to KRC.
(iv) Mr Hancock is the Non-Executive Chairman and Founder of FinClear Holdings Limited
(v) The Group earned a fee of $574,846 for providing a Standby Letter of Credit ("SBLC fee") to OGL during the period.
(vi) The Group paid investment management and performance fees of $236,671 during the period to entities related to KRC.

Notes to Financial Statements (Continued)

FOR THE YEAR ENDED 30 JUNE 2024

21. DIRECTOR AND EXECUTIVE DISCLOSURES

	GROUP	
	2024	2023
	$	$
Remuneration of Key Management Personnel		
Short term employee benefits	**1,911,245**	1,822,269
Post-employment benefits	**129,715**	118,632
Share based payments	**84,128**	55,327
Total remuneration	**2,125,088**	1,996,228

22. REMUNERATION OF AUDITORS

Amounts received or due and receivable by Grant Thornton Audit Pty Ltd		
An audit or review of the financial report of the entity and any other entity in the Group	**164,530**	153,571
Services in relation to the entity and any other entity in the Group	**—**	—
Total amount to Grant Thornton Audit Pty Ltd	**164,530**	153,571

	NZ$	NZ$
Amounts received or due and receivable by related network firms of Grant Thornton Audit Pty Ltd		
An audit or review of financial reports of joint ventures and associates of the Group	**92,800**	86,000
Services in relation to joint ventures and associates of the Group:		
Tax compliance	**6,500**	6,400
Other	**27,000**	21,895
Total amount to related network firms of Grant Thornton Audit Pty Ltd	**126,300**	114,295

23. EVENTS AFTER THE BALANCE DATE

After the balance date, the Directors declared a final dividend on ordinary shares in respect of the 2024 financial year. The total amount of the dividend is $977 which represents a fully franked dividend of 0.50 cents per share.

On 28 August 2024, Ariadne announced that Orams and Residential had entered into a conditional agreement with Precinct Properties Holdings Limited, a wholly owned subsidiary of the New Zealand Stock Exchange-listed Precinct Properties New Zealand Limited ("Precinct Properties"). The agreement involves Precinct Properties acquiring a 24.9% interest in the ground lease and buildings of Orams Marine Village and a 50% interest in the adjoining residential site. The agreement is conditional upon finalising and agreeing definitive transition documentation, finalising financing agreements and approval from Auckland Council.

There is no other matter of circumstance that has arisen since 30 June 2024 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 the future financial periods.

Consolidated Entity Disclosure Statement

FOR THE YEAR ENDED 30 JUNE 2024

Consolidated Entity Disclosure Statement

Entity name	Entity type	Trustee, partner or participant in JV	Ownership interest %	Place of incorporation	Australian resident or foreign resident	Foreign jurisdiction of foreign residents
Ariadne Administration Pty Ltd	Body corporate	-	100	QLD	Australia	n/a
Ariadne Capital Pty Ltd	Body corporate	-	100	QLD	Australia	n/a
Ariadne Financial Services Pty Ltd	Body corporate	-	100	NSW	Australia	n/a
Ariadne Freehold Pty Ltd	Body corporate	-	100	NSW	Australia	n/a
Ariadne Holdings Pty Ltd	Body corporate	-	100	ACT	Australia	n/a
Ariadne Investment Holdings Pty Ltd	Body corporate	-	100	QLD	Australia	n/a
Ariadne Marinas Oceania Pty Ltd	Body corporate	Trustee	100	QLD	Australia	n/a
Ariadne Properties Pty Ltd	Body corporate	-	100	QLD	Australia	n/a
Delta Equities Pty Ltd	Body corporate	-	100	NSW	Australia	n/a
Freshxtend International Pty Ltd	Body corporate	-	53	QLD	Australia	n/a
Orams NZ Unit Trust ("ONZUT")	Unit Trust	-	80	QLD	Australia	n/a
Portfolio Services Pty Ltd	Body corporate	-	100	QLD	Australia	n/a
Teldar Associates Pty Ltd	Body corporate	-	100	NSW	Australia	n/a

Ariadne Australia Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed as income tax consolidated group under the tax consolidation regime.

Basis of Preparation
This Consolidated Entity Disclosure Statement ("CEDS") has been prepared in accordance with the *Corporations Act 2001* and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Consolidated entity
This CEDS includes only those entities consolidated as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements (AASB 10).

Determination of Tax Residency
Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

<u>Australian tax residency</u>
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 Income tax: central management and control test of residency.

Partnerships and Trusts
Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes but this does not mean the trust itself is an entity that is subject to tax. Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Directors' Declaration

FOR THE YEAR ENDED 30 JUNE 2024

In accordance with a resolution of the Directors of Ariadne Australia Limited, I state that:

1. In the opinion of the Directors:

   (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including;

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and

      (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

   (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2; and

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

   (d) the consolidated entity disclosure statement, for the consolidated entity, is true and correct and complies with the requirements of Section 295 of the Corporations Act 2001.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2024.

On behalf of the Board

Mr David Hancock
Chairman
Sydney
30 August 2024

Grant Thornton

Grant Thornton Audit Pty Ltd
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Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW 1230

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Independent Auditor's Report

To the Members of Ariadne Australia Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Ariadne Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the year ended on that date; and

b 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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 of 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.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Valuation of Orams Marine Village, Office Building Development Land and Residential Land
Refer to Note 13</td></tr>
<tr><td>The Group has a portfolio of investments in joint ventures and associates accounted for in accordance with AASB 128 Investments in Associates and Joint Ventures.

Orams NZ Unit Trust (‘ONZUT’), a subsidiary of Ariadne Australia Limited, holds an equity accounted investment in Orams Group Limited (‘OGL’) and Orams Residential Limited (‘ORL’), companies incorporated in New Zealand.

OGL records its holding of the Orams Marine Village and Office Building Development at fair value in accordance with NZ IAS 16 Property, Plant and Equipment. ORL holds Residential Land, also recorded at fair value and in accordance with NZ IAS 40 Investment Property.

OGL management engaged an independent expert to value the Orams Marine Village and Office Building Development and the Residential Land.

The Group’s investment in OGL and ORL is recorded at $68m. In the financial year ended 30 June 2024, the Group’s share of the decline in value of the Orams Marine Village and Office Building Development is $1.98m (net of deferred tax). There was no change in value of the Residential Land.

The valuation of Orams Marine Village and Office Building Development Land is a key audit matter because it involves significant estimation and judgment in calculating fair values and determining key assumptions.</td><td>Our procedures included, amongst others:
Assessing the competency and objectivity of management’s expert with respect to the fair value of Orams Marine Village, Office Building Development Land and the Residential Land;
Assessing the conclusions reached by management’s expert with respect to the fair value of Orams Marine Village, Office Building Development Land and Residential Land;
Challenging the appropriateness of key assumptions utilised in the fair value calculations;
Performing sensitivity analysis on the key assumptions adopted in the valuations;
Assessing the impact on deferred tax balances;
Agreeing management's budgeted costs to complete to contracted future works;
On a sample basis, agreeing costs incurred during the year in relation to Orams Marine Village and Office Building Development;
Agreeing the equity accounted share of profit or loss and share of reserve to the audited trial balance of OGL and ORL; and
Assessing the adequacy of associated disclosures.</td></tr>
<tr><td colspan="2">Valuation of unlisted investments
Refer to Note 11 and 17</td></tr>
<tr><td>The Group holds unlisted financial assets within its strategic portfolio at a value of $34.5m as at 30 June 2024.

Consistent with the requirements of AASB 9 Financial Instruments these financial assets are accounted for at fair value in the Balance Sheet and classified as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI").

These financial assets are classified as ‘Level 2’ and ‘Level 3’ in accordance with AASB 13 Fair Value Measurement.</td><td>Our procedures included, amongst others:
Obtaining a reconciliation for the account balance and agree to the General Ledger;
Evaluating Ariadne's accounting policy for appropriateness with AASB 9 and consistency with the prior year;
Agreeing number of units or shares held to unitholder or shareholder statements;
Reviewing the valuation methodology used to calculate the fair value as at 30 June 2024;</td></tr>
</table>

The measurement of Level 2 financial assets is based on inputs other than quoted prices that are observable for the asset, either directly or indirectly. The measurement of Level 3 financial assets is based on inputs that are not based on observable market data. The valuations of Level 2 and Level 3 financial instruments therefore require judgement. We have focused on this area as a key audit matter due to the amounts being material to the financial report and the inherent judgment involved in determining the fair value of investments.	• Agreeing inputs used in the valuation methodology to supporting documentation; • Engaging our Corporate Finance team as an internal expert to review the appropriateness of the fair values adopted for unlisted investments where required; • Testing material additions and disposals during the period to supporting documentation; • Reconciling the movement in investments to fair value gains or losses recognised during the period; and • Assessing the adequacy of financial statement disclosures.

Information other than the financial report and auditor's report thereon

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 2024, 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 Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability 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 have 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Ariadne Australia Limited, for the year ended 30 June 2024 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

M R Leivesley
Partner – Audit & Assurance

Sydney, 30th August 2024

Shareholder Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 July 2024.

(a) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:			Ordinary shares Number of holders	 Number of shares
1	–	1,000	231	61,463
1,001	–	5,000	485	1,425,802
5,001	–	10,000	187	1,391,489
10,001	–	100,000	222	7,199,611
100,001	and over		98	185,353,473
			1,223	195,431,838
Holding less than a marketable parcel			216	46,481

(b) Twenty largest shareholders

	The names of the twenty largest holders of quoted shares are:	Listed ordinary shares Number of shares	 % of shares
1	Bivaru Pty Ltd	64,666,395	33.09%
2	UBS Nominees Pty Ltd	21,255,078	10.88%
3	SLV Investments Pty Ltd	21,043,100	10.77%
4	J P Morgan Nominees Australia Limited	16,809,743	8.60%
5	W B K Pty Ltd	5,485,100	2.81%
6	Seymour Group Pty Ltd	4,580,000	2.34%
7	Citicorp Nominees Pty Limited	4,470,140	2.29%
8	Mrs Helen Frances Baffsky	3,983,230	2.04%
9	Kayaal Pty Ltd	3,922,294	2.01%
10	Mr Con Zempilas	3,664,000	1.87%
11	BNP Paribas Noms Pty Ltd	3,615,607	1.85%
12	Mr Ronald Langley + Mrs Rhonda Elizabeth Langley	2,771,363	1.42%
13	Mr John Emery Kennedy <John Kennedy A/C>	2,000,000	1.02%
14	LVS Nominees Pty Ltd	1,757,173	0.90%
15	Mr Ronald Langley	1,380,000	0.71%
16	Charanda Nominee Company Pty Ltd <Greycliffe Superfund A/C>	1,250,000	0.64%
17	Katdan Investments Pty Limited <Super Fund A/C>	1,199,483	0.61%
18	Ms Katrina Louise Langley	1,155,511	0.59%
19	Croll Nominees Pty Ltd <Croll Family A/C>	909,040	0.47%
20	Mr Brendan Thomas Birthistle	833,790	0.43%
		166,751,047	85.34%

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:	Number of shares as per notice
Bivaru Pty Ltd and associated entities	67,639,743
Thorney Holdings Pty Ltd and Thorney Pty Ltd and associated entities	21,720,617
Leigh Vanessa Seymour and associated entities	21,181,898
Kayaal Pty Ltd and associated entities	13,987,394
Phoenix Portfolios Pty Ltd	10,494,743

(d) Voting rights

All ordinary shares carry one vote per share without restriction.