

ASX:AND Ansarada Announcement - 27 January 2022

Record results - Consecutive quarters of growth since listing December 2020. Revenue growth 58%, Customer growth 17%, cash flow positive with \$21m in cash and zero debt.

Quarterly Report Q2 FY22

Q2 Highlights

- **Record Customer Growth**

- Record customer¹ numbers of 3,559 total, up 17% year over year (YoY)
- Record subscriber² numbers of 2,738 total, up 32% YoY
- Significant growth in the ecommerce channel³, ending with 459 active customers up 337% YoY

- **Record Revenue Growth**

- Total revenue⁴ of \$13.2m in Q2, up 58% YoY and 30% quarter on quarter (QoQ), \$10.2m in Q1 FY22
- ARPA⁵ increase QoQ, to \$1,408 in Q2 up from \$1,139 in Q1

- **Profitable Growth**

- Cash flow positive with strong cash flow from operations (ADJ)⁶ of \$4.4m
- Zero debt with cash balance of \$21m ending December 31, 2021

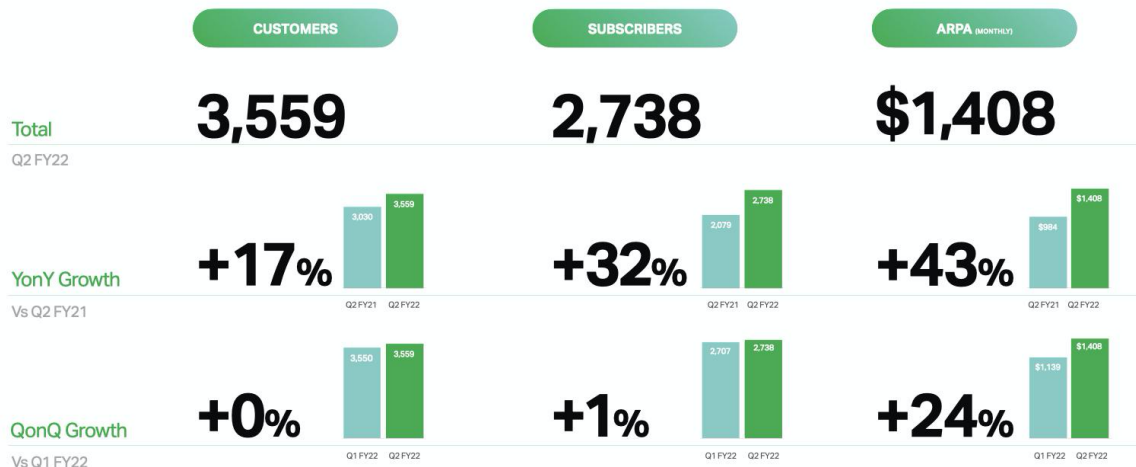
- **Positive outlook for FY22**

- Continuing to invest in growth via investment in digital channel and expanding products to serve multiple use cases and ensure long term sustainable growth
- Integrate the TriLine GRC acquisition which adds a full suite of Governance, Risk and Compliance (GRC) modules that organisations need every day.

Ansarada Group Limited (ASX: AND), a global information governance software provider, is pleased to report on its quarterly activities and cash flows for the three-month period to 31st December 2021 as well as growth momentum in the new quarter.

Sam Riley, CEO said, "We capped off our first year as a listed company delivering 58% revenue growth, maintaining cash flow positivity whilst simultaneously expanding our solutions and building a strong foundation for future growth. Whilst we are proud of our track record to date, and energised by the momentum we are seeing across our business, we are very early in our growth cycle with scope for sustained growth. We are focused on methodically executing our strategy to expand upon our trusted brand, customer relationships and market leading product suite. Our focus in 2022 is on strengthening diversified revenue streams across multiple complementary markets that deliver sustainable growth irrespective of the economic cycle."

Record results with higher revenue per customer
Continued growth in leading indicators drives sustainable growth



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Our e-commerce channel continued to improve its key metrics from acquisition to conversion, delivering +337% customer growth YoY. With a fast payback on customer acquisition costs, positive cash flow and a strong balance sheet we are well placed to continue scaling in FY22.

Operational Performance

The Group saw a 17% increase in pro forma customer numbers compared to Q2 FY21, with total customer numbers reaching 3,559. Subscription customer numbers grew to a record 2,738 up 32% YoY from 2,079 in Q2 FY21.

New wins⁷ (including ecommerce) in Q2 were up 26% YoY, reflecting the continued strong demand for our products. New wins are a leading indicator of revenue.

The strong growth in customers has translated into a 30% QoQ growth in recognised revenue. During the quarter, revenue reached a new high of \$13.2 million, up 58% YoY and 30% QoQ. In addition to our revenue growth, ARPA increased from \$1,139 in Q1 FY22 to \$1,408 in Q2.

Profitable revenue with positive cash generation

Continued investment in growth delivers record revenue and cash flows. Cash balance includes TriLine GRC acquisition Oct 2021.



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The Group continues to generate positive cash flows with \$4.4 million cash flow from operations (adj), increasing from \$2.5 million in Q1 FY22, with a cash balance of \$20.9 million down 9% QoQ due to the acquisition of Trilline GRC in October 2021. Cash collections reached \$14.5 million in Q2, up 55% YoY and 26% QoQ.

Cash flow from operations less capex (free cash flow) was negative in Q2 at \$2.4 million due to the acquisition of TriLine for \$5.3 million, excluding the acquisition purchase the Group generated free cash flow of \$2.9 million. The Group cash balance as at 31 December 2021 was \$20.9 million.

Financial Summary

During the quarter, the Group recorded cash receipts from customers of \$14.5 million.

Cash payments during the quarter were primarily directed towards staff costs (\$5.3 million), research & development (\$0.1 million), product and operating costs (\$1.0 million), advertising & marketing (\$1.9 million) along with administration & corporate costs (\$1.7 million). Net operating cash flows for the quarter was \$4.2 million.

The Group's closing cash balance was \$20.9 million as at 31 December 2021.

The Group funded operations through operating cash flows and cash reserves and will be strategically deploying the net funds from the capital raised in line with the Group's stated objectives in the prospectus relating to capital and growth. Additionally, Ansarada remains open to pursuing strategic, technologically aligned and culturally compatible acquisitions to accelerate growth.

-ENDS-

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

About Ansarada (ASX:AND)

About Ansarada (ASX:AND)

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

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

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For more information please visit www.ansarada.com or email at investors@ansarada.com

¹ Customers refers to active customers and includes consolidated customer numbers for both Ansarada NewCo Pty Ltd and Ansarada Group Limited (formerly thedocyard) including periods prior to the merger plus TriLine GRC in Q2 FY22 only. Active customers includes any subscription/contract with an active platform. Customers may have more than one deal platform, board portal or governance solution open at any given time.

² Subscriber refers to pro forma active subscription contracts/customers at period and TriLine GRC in Q2 FY22 only. Pro forma includes consolidated subscriber numbers for both Ansarada NewCo Pty Ltd and Ansarada Group Limited (formerly thedocyard) including periods prior to the merger.

³ E-commerce customers refers to Customers acquired through the e-commerce channel.

⁴ Unaudited AASB Revenue. Final audited AASB revenue may vary due to year end adjustments and completion of the audit process.

⁵ ARPA represents the average monthly revenue generated from customers on subscription-based contracts (includes Ecommerce channel in all periods and TriLine GRC Q2 FY22 only).

⁶ Cash Flow From Operations is the amount of cash generated by the regular operating activities of a business for the specified time period. Adjusted Cash Flow From Operations ('Cashflow (ADJ)') adjusted for one time costs (if any) including business combination costs and restructure payments.

⁷ A win represents Ansarada closing a paying subscription/contract customer. Prior year comparisons to Ansarada NewCo Pty Ltd.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Ansarada Group Limited

ABN

19 602 586 407

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	14,502	26,032
1.2 Payments for		
(a) research and development	(99)	(186)
(b) product manufacturing and operating costs	(1,037)	(1,952)
(c) advertising and marketing	(1,891)	(3,802)
(d) leased assets	(93)	(117)
(e) staff costs	(5,270)	(10,484)
(f) administration and corporate costs	(1,732)	(2,659)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	4	6
1.6 Income taxes paid	(12)	(12)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(126)	(126)
1.9 Net cash from / (used in) operating activities	4,246	6,700
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	(5,318)	(5,318)
(b) businesses	-	-
(c) property, plant and equipment	(39)	(69)
(d) investments	-	-
(e) intellectual property	(1,153)	(2,164)
(f) other non-current assets	(243)	(740)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (cash acquired in acquisition net of transaction costs)	-	-
2.6	Net cash from / (used in) investing activities	(6,753)	(8,291)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	256	256
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material) –IFRS lease payments and cash acquired from entity	50	(247)
3.10	Net cash from / (used in) financing activities	306	9

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	23,023	22,590
4.2	Net cash from / (used in) operating activities (item 1.9 above)	4,246	6,700
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6,753)	(8,291)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	306	9

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

4.5	Effect of movement in exchange rates on cash held	84	(102)
4.6	Cash and cash equivalents at end of period	20,906	20,906

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	20,906	23,023
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	20,906	23,023

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A
234
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments included in section 6.1 represent payments to directors during the quarter on a cash basis.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
-	-
-	-
-	-
-	-

7.5 **Unused financing facilities available at quarter end**

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7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	Estimated cash available for future operating activities	\$A
8.1	Net cash from / (used in) operating activities (Item 1.9)	4,246
8.2	Cash and cash equivalents at quarter end (Item 4.6)	20,906
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	20,906
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4.9

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 26th January 2022

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the

[name of board committee – eg Audit and Risk Committee]”. If it has been authorised for release to the market by a disclosure committee, you can insert here: “By the Disclosure Committee”.

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Annexure

In accordance with ASX Listing Rule 4.7C, Ansarada Group provides the following information:

Proceeds from the issue of shares related to the merger totalled \$45.0 million. The Group recorded one-off cash payments relating to the repayment of the Convertible Notes of \$25.0 million and transaction costs related to the issue of equity securities of \$6.8 million. The Company's closing cash balance was \$20.9 million as at 31 December 2021.

Net funds received by Ansarada were approximately \$14.3 million after the repayment of Convertible Note holders and transaction related costs from the issue of shares.

Q2 FY22 is a period which is covered by the Use of Funds statement as outlined in the Prospectus dated 8 December 2020.

A summary of the expenditure to date is outlined below:

Use of Funds	Funds allocated under Prospectus	Funds used in FY21	Funds used in the September 21 quarter	Funds used in the December 21 quarter	Cumulative Expenditure
Redemption of Ansarada Convertible Notes ¹	\$25 million	\$25 million	\$0	\$0	\$25 million
Product Design and Development ²	\$3.5 million	\$0	\$0	\$0	\$0
Sales and Marketing	\$4.0 million	\$0.8 million	\$0.4 million	\$0.3 million	\$1.5 million
Integration Costs	\$0.5 million	\$0	\$0	\$0	\$0
Transaction Costs ³	\$8.7 million	\$7.8 million	\$0	\$0	\$7.8 million
Additional working capital	\$10.3 million	\$0	\$0	\$5.3 million ⁴	\$5.3 million

Total	\$45 million	\$33.6 million	\$0.4 million	\$5.6million	\$39.6 million
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¹ Prospectus outlined \$21 million plus an additional \$4 million out of existing cash held by Ansarada will be used to fund the redemption of Ansarada Convertible Notes

² Includes costs associated with the exercise of Ansarada's option to acquire 100% of the share capital in Pyramid Vietnam SPV under the PYCO MSA

³ Prospectus outlined Transaction costs of approximately \$5.7 million in costs relating to the Offer, with the remaining \$3.0 million related to transaction costs associated with the merger which will be paid out of the Company and Ansarada's existing cash balances.

⁴ Ansarada acquired TriLine GRC for a purchase price of \$5.3 million from cash on the 29th October 2021 .

Payments to related parties and their associates during Q2 was \$0.2 million. These payments were related to gross salaries and superannuation to S. Riley, S. Clout, D. Pullini and P. James.