

ASX:AND Ansarada Announcement - 28 July 2022

Record Q4 results - Continued growth and transformation delivering healthy financial performance. Revenue growth 43%, Customer growth 52%, cash flow positive with \$22m in cash and zero debt.

Quarterly Report Q4 FY22

Q4 Highlights

- **Record Customer Growth: +52% vs pcg**
 - Record customer¹ numbers of 5,251 total, up 52% year over year (YoY)
 - Continued growth in subscriber² numbers ending 2,851 total, up 11% YoY
 - Significant growth in the ecommerce channel³, ending with 520 active customers up 116% YoY
- **Strong Revenue Growth, +43% vs pcg**
 - Total revenue⁴ of \$12.9m in Q4, up 43% YoY, up 7% quarter on quarter (QoQ)
 - ARPA⁵ up 31% YoY at \$1,281 in Q4 consistent vs Q3
- **Cash flow positive with \$22m net cash to fund growth strategy**
 - Cash flow positive with strong Q4 cash flow from operations (ADJ)⁶ of \$3.3m
 - Zero debt with cash balance of \$22m ending June 30, 2022
 - Subdued M&A market affecting volume, progress building new recurring revenue streams in new less economically sensitive markets
 - Disciplined investments in growth initiatives including digital channel and expanding products to serve multiple use cases
- **Positive outlook for FY23, Q1 underpinned by contracted revenue and solid pipeline**
 - Deferred revenue contracted of \$16.9m in Q4 with the majority to be recognised over the next 12 months, coupled with a solid pipeline of new customer wins provides confidence for continued financial performance
 - Continued disciplined execution of strategy to build scale in \$52bn addressable market⁷ to drive long term sustainable growth

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 30 June 2022 as well as growth momentum in the new quarter.

Sam Riley, CEO said, “The Ansarada team have delivered another set of strong results with continued growth for Q4 FY22. All top line metrics improved. Customers grew by 52%, revenues increased by 43%, and contracted deferred revenue, which we will mostly be recognised in FY23, was a record \$16.9m, underpinning our start to the new financial year.

It's the disciplined execution of our strategy to build market leading products for a high quality customer base at attractive financial returns that is driving this performance, and provides us with confidence for sustained success.

Importantly, while M&A activity is subdued, we are making excellent progress accelerating the growth of our non deal related revenue streams which are less economically sensitive than M&A deals. Revenues from infrastructure and tenders and Governance Risk and Compliance more than 15% of total revenue in the quarter compared to 11% pcp.

We have a generational opportunity to become the software of choice in our \$52bn addressable market and build scale with sustainable recurring revenues. As we enter FY23, we do so with momentum and confidence. I would like to thank the team at Ansarada for making this possible through their commitment to seeing positive change for our customers”

	FY21 Q4	FY22 Q4	% variance
Customers	3,453	5,251	52%
Subscribers	2,566	2,851	11%
ARPA	980	1,281	31%
AASB revenue	\$9.0m	\$12.9m	43%
YTD AASB Revenue	\$33.4m	\$48.3m	45%
Deferred Revenue	\$13.9m	\$16.9m	21%
Adj Cash Flow from Operations	\$4.6m	\$3.3m	-27%
Cash Balance	\$22.6m	\$22.4m	-1%

Operational Performance

The Group saw a 52% increase in pro forma customer numbers compared to Q4 FY21, with total customer numbers reaching 5,251. Subscription customer numbers grew to 2,851 up 11% YoY from 2,566 in Q4 FY21.

New wins⁸ (including ecommerce) in Q4 were up 28% YoY, reflecting the continued strong demand for our products. New wins are a leading indicator of revenue.

Our e-commerce channel continued to improve its key metrics from acquisition to conversion, delivering +116% 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 FY23.

During the quarter, revenue reached \$12.9 million, up 43% YoY.

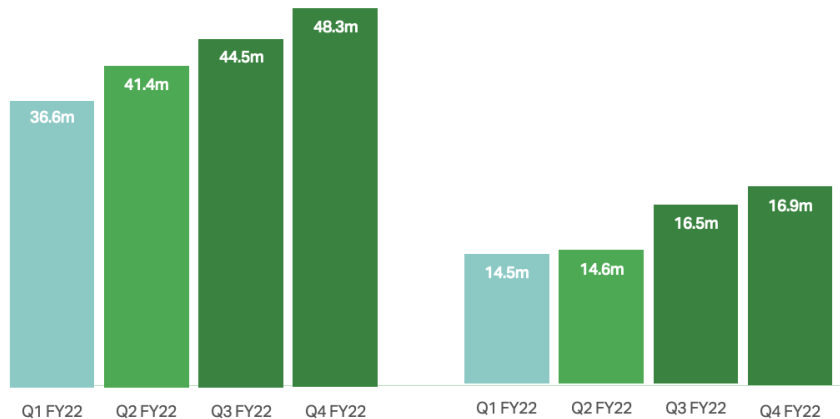
In addition to our customer growth, ARPA increased 31% YoY from \$980 in Q4 FY21 to \$1,281 in Q4 FY22.

Deferred revenue contracted continued to increase ending \$16.9m in Q4 with the majority to be recognised over the following 12 months which provides confidence for continued financial performance.

Contracted revenue, record customers and ARPA coupled with a strong pipeline of new customer wins drives momentum into FY23.

LTM Revenue Sept, Dec, March, June

Deferred Revenue Sept, Dec, March, June



The Group continues to generate positive cash flows with \$3.3 million cash flow from operations (adj), decreasing from \$4.6 million in Q4 FY21, with a cash balance of \$22.4 million and no debt. Cash collections reached \$13.3 million in Q4, up 19% YoY.

Cash flow from operations less capex (free cash flow) was positive in Q4 at \$2.0 million. The Group cash balance as at 30 June 2022 was \$22.4 million.

Financial Summary

During the quarter, the Group recorded cash receipts from customers of \$13.3 million.

Cash payments during the quarter were primarily directed towards staff costs (\$5.3 million), research & development (\$0.1 million), product and operating costs (\$1.1 million), advertising & marketing (\$2.1 million) along with administration & corporate costs (\$1.2 million). Net operating cash flows for the quarter was \$3.2 million.

The Group's closing cash balance was \$22.4 million as at 30 June 2022.

The Group funded operations through operating cash flows and cash reserves and will be strategically investing in growth initiatives 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.

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-ENDS-

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

About Ansarada (ASX:AND)

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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.

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

¹ Customers refers to pro forma 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. Active customers includes any subscription/contract with an active platform including freemium. 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 end. Pro forma includes consolidated subscriber numbers for both Ansarada NewCo Pty Ltd and Ansarada Group Limited (formerly thedocyard) including periods prior to the merger and TriLine from the date of acquisition..

³ Ecommerce customers refers to Customers acquired through the ecommerce 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 from Q2 FY22).

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 <https://www.grandviewresearch.com/industry-analysis/enterprise-governance-risk-compliance-egrc-market>

⁸ A win represents Ansarada closing a paying subscription/contract customer.

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")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		13,281	52,706
1.2 Payments for			
(a) research and development		(116)	(413)
(b) product manufacturing and operating costs		(1,069)	(4,420)
(c) advertising and marketing		(2,101)	(8,511)
(d) leased assets		(84)	(316)
(e) staff costs		(5,333)	(21,058)
(f) administration and corporate costs		(1,231)	(5,423)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		-	7
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		(67)	(123)
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		(111)	(238)
1.9 Net cash from / (used in) operating activities		3,169	12,211
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		(316)	(6,029)
(b) businesses		-	-
(c) property, plant and equipment		(223)	(367)
(d) investments		-	-
(e) intellectual property		(1,069)	(4,355)
(f) other non-current assets		(73)	(1,553)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	1	1
	(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 from business combination)	-	498
2.6	Net cash from / (used in) investing activities	(1,680)	(11,805)

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	527	1,049
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 purchase of treasury shares	(526)	(1,425)
3.10	Net cash from / (used in) financing activities	1	(376)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	21,083	22,590
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,169	12,211

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,680)	(11,805)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1	(376)
4.5	Effect of movement in exchange rates on cash held	(135)	(182)
4.6	Cash and cash equivalents at end of period	22,438	22,438

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	22,438	22,438
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	22,438	22,438

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	234
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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'000
8.1	Net cash from / (used in) operating activities (item 1.9)	3,169
8.2	Cash and cash equivalents at quarter end (item 4.6)	22,438
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	22,438
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	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:	
8.6.2	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:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

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

Date: 28/07/2022

Authorised by: The Board of Directors .
(Name of body or officer authorising release – see note 4)

Notes

1. 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.
2. 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.
3. 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.
4. 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 \$21.1 million as at 31 March 2022.

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.

Q4 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 Q1 FY22	Funds used in Q2 FY22	Funds used in Q3 FY22	Funds used in Q4 FY22	Cumulative Expenditure
Redemption of Ansarada Convertible Notes ¹	\$25 million	\$25 million	\$0	\$0	\$0	\$0	\$25 million
Product Design and Development ²	\$3.5 million	\$0	\$0	\$0	\$0.4 million	\$0.3 million	\$0.7 million
Sales and Marketing	\$4.0 million	\$0.8 million	\$0.4 million	\$0.3 million	\$0.7 million	\$0.4 million	\$2.6 million
Integration Costs	\$0.5 million	\$0	\$0	\$0	\$0	\$0	\$0
Transaction Costs ³	\$8.7 million	\$7.8 million	\$0	\$0	\$0	\$0	\$7.8 million
Additional working capital	\$10.3 million	\$0	\$0	\$5.3 million ⁴	\$0 million	\$0.0million	\$5.3 million

Total	\$45 million	\$33.6 million	\$0.4 million	\$5.6million	\$1.1 million s	\$0.7 million	\$41.4 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 Q4 was \$0.2 million. These payments were related to gross salaries and superannuation to S. Riley, S. Clout, D. Pullini and P. James.