

ASX:AND Ansarada Announcement - 24 February 2022

1H FY22 Financial Results - Continued growth, increasing profitability and expanding market opportunities. Revenue growth 52%, Customer growth 21%, cash flow positive, \$21m in cash and zero debt to fund growth strategy. Financial Report 1H FY22

1H FY22 Highlights

- Record Customer Growth
 - Record customer¹ numbers of 3,670 total, up 21% year over year (YoY)
 - Record subscriber² numbers of 2,805 total, up 35% YoY
 - Significant growth in the ecommerce channel³, ending with 440 active customers up 319% YoY

Record Revenue Growth

- Total revenue⁴ of \$23.4m in 1H FY22, up 52% YoY
- ARPA⁵ increase YoY, to \$1,280 in 1H FY22, up 29% YoY
- Profitable Growth
 - Cash flow positive with strong cash flow from operations (ADJ)⁶ of \$6.7m, increasing from \$1.2m 1H FY21
 - Zero debt with cash balance of \$21m ending December 31, 2021
 - Deferred Revenue⁷ increased 44% YoY to \$15.6m in 1H FY22
 - Gross Margin⁸ of 95% in 1H, increasing 3% YoY
 - EBITDA (Adj)⁹ of \$4.2m in 1H FY22, an increase of 89% on 1H FY21

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 proudly report record results for 1H FY22 with 52% revenue growth, an 89% increase in EBITDA (ADJ) and a strong increase in operating cash flow compared to the pcp.

We also made great progress building on our foundations for scale. The TriLine GRC acquisition was a highlight. It enhances our product suite in ESG and massively expands our market opportunities.

Although we are growing quickly, we are only just getting started. We are very early in our growth phase in a \$52bn¹⁰ addressable market with positive growth trends. Our focus is on executing our strategy to expand upon our trusted brand, customer relationships and market leading product suite to drive complementary and sustained revenue streams across multiple markets."





Record results with strong momentum into 2H FY22

Growth in leading indicators drives record customer and subscribers



Our e-commerce channel continued to improve its key metrics from acquisition to conversion, delivering +319% 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 2H FY22.

Operational Performance

The Group saw a 21% increase in pro forma customer numbers compared to 1H FY21, with totalcustomer numbers reaching 3,670.Subscription customer numbers grew to a record 2,805 up 35%YoYfrom2,079in1HFY21.

New wins¹¹ (including ecommerce) in 1H FY21 were up 37% 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 52% YoY growth in recognised revenue. Deferred revenue¹² increased to \$15.6m, up 44% YoY and 12% from 30 June 2021. International revenue¹³ increased 58% to \$10.3m, 44% of total revenue, up from 42% in 1H FY21.

In addition to our revenue growth, ARPA increased 29% YoY to \$1,280 in 1H FY22.







1 Increasing growth with strong base going into 2H FY22

On 29 October 2021, Ansarada Group Limited completed the acquisition of 100% of the share capital in TriLine GRC Pty Ltd and it's Subsidiaries for \$5.3 million. TriLine GRC is a market leading governance, risk and compliance SaaS company with customers in Australia, New Zealand, UK and Ireland.

TriLine GRC provides an end-to-end GRC solution which bolsters our value proposition and when combined with our Board and Deals products, we have a comprehensive, highly differentiated and unique solution to improve core business practices and solve critical challenges faced by organisations.

The Group continues to generate positive cash flows with \$6.7 million cash flow from operations (adj), an increase of 485% YoY, with a cash balance of \$20.9 million down 7% on June 2021 due to the acquisition of TriLine GRC in October 2021. Cash collections reached \$26.0 million in 1H FY21, up 38% YoY.

Cash flow from operations less capex (free cash flow) was negative in 1HFY22 at \$1.3 million due to the acquisition of TriLine for \$5.3 million, excluding the acquisition purchase the Group generated free cash flow of \$3.7 million. The Group cash balance as at 31 December 2021 was \$20.9 million.





Financial Summary



Growing profitably and generating positive cash flows Self funding growth strategy

Ansarada has historically maintained strong gross profit margins above 90%. Gross margin has increased by 3% to reach 95% for the period ended 31 December 2021. The primary reason for the increase in gross profit is due to the increase in revenue of 52% and also ensuring the cost of revenue remained stable.

EBITDA improved by \$3.5 million to \$3.7 million, up 1,578% compared to 1H FY21, resulting in EBITDA as a percentage of revenue increasing from 1.4% in 1H FY21 to 15.9% in 1H FY22. The improvement in 1H FY22 EBITDA was driven by strong revenue growth in addition to operational efficiencies delivered across the cost of revenue, product design and development expenses and offset by an increase in sales and marketing and general and administration expenses.

EBITDA (Adj) for 1H FY22 was \$4.2 million, an improvement of \$2.0 million or 89% compared to 1H FY21. The main driver for the increase was improved operating results and a decrease in non-cash shared based payment expense compared to 1H FY21. This resulted in adjusted EBITDA improving as a percentage of operating revenue by 3.6%.

During the half year, the Group recorded cash receipts from customers of \$26.0 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)

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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.

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

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

⁴ AASB Revenue for 31 December 2021 reviewed by KPMG. Audited AASB Revenue for 31 December 2020.

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

⁹ EBITDA represents earnings before interest, tax, depreciation and amortisation. Adjusted EBITDA ('EBITDA (ADJ)') equals EBITDA excluding non-cash share-based expense, business combination costs, capital raising and restructure expenses

¹⁰ <u>https://www.grandviewresearch.com/industry-analysis/enterprise-governance-risk-compliance-egrc-market</u>

¹¹ A win represents Ansarada closing a paying subscription/contract customer.

¹² Deferred revenue consists of Platform Subscription and Transactional Usage which are expected to be recognised on a straight-line basis over the remaining life of the contract



¹ Customers refers to active customers and includes consolidated customers 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. Customer numbers include direct sales freemium at December 2021. Excluding direct sales freemium corresponds to previously report 3,559 customer count, 17% growth YoY

² Subscriber refers to pro forma active subscription contracts/customers at period end, 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. Subscriber numbers reported January 27, 2022 adjusted during the first half review process.

⁷ Deferred revenue consists of Platform Subscription and Transactional Usage which are expected to be recognised on a straight-line basis over the remaining life of the contract

⁸ Gross margin represents operating revenue less cost of revenue. Cost of revenue primarily relates to sales commissions for sales employees and third-party fees for software used to provide product features and VDR archive expenses.

¹³ Total worldwide AASB Revenue excluding Australia and New Zealand