

ARIADNE

Ariadne Australia Limited
A.B.N. 50 010 474 067

Appendix 4D
Financial Report
Half year report for the period ended 31 December 2023
(the previous corresponding period being the period ended 31 December 2022)

Results for announcement to the market				31 December 2023	31 December 2022
Revenues from ordinary activities *	\$'000	Decreased	78.6%	3,599	16,793
Net (loss) / profit for the period attributable to members	\$'000	Decreased	102.6%	(301)	11,515
Total comprehensive profit for the period attributable to members	\$'000	Increased	645.7%	9,896	1,327

				31 December 2023	30 June 2023
Net tangible assets per security	cents	Increased	5.9%	88.56	83.65

The Directors have declared a fully franked interim dividend of 0.25 cents per ordinary share in relation to the 30 June 2024 financial year. The record date applicable to the dividend will be Monday, 18 March 2024 with payment to be made on Thursday, 28 March 2024.

The final dividend of 0.25 cents per ordinary share in relation to the 30 June 2023 financial year had a record date of Monday, 18 September 2023 and was paid on Thursday, 28 September 2023.

It is recommended that the consolidated results for Ariadne Australia Limited ("Ariadne") and its controlled entities ("the Group") be read in conjunction with the 2023 Annual Report and any public announcements made by Ariadne during the half year.

* Total revenues from ordinary activities as shown above include the Group's share of profits/losses of joint ventures, associates and other gains / losses recorded through profit and loss.



ARIADNE

Ariadne Australia Limited
Half-Year Report
31 December 2023

Directors' Report

The Directors submit their report for the six months ended 31 December 2023. The term "Group" is used throughout this report to refer to the parent entity, Ariadne Australia Limited ("Ariadne") and its controlled entities.

DIRECTORS

The names of Ariadne's directors in office during the half-year and until the date of this report are as below. All Directors were in office for this entire period unless otherwise stated.

Mr David Hancock (Independent Non-Executive Chairman)
 Mr Christopher Barter (Independent Non-Executive Director)
 Mr John Murphy (Independent Non-Executive Director)
 Mr Benjamin Seymour (Non-Executive Director)
 Mr Dean Smorgon (Independent Non-Executive Director)
 Dr Gary Weiss, AM (Executive Director)

REVIEW AND RESULTS OF OPERATIONS

All amounts included in this report, are quoted in thousands of dollars unless otherwise stated.

Operating Result for the Half-Year

For the half-year period Ariadne reported a total comprehensive income attributable to members of \$9,896 (2022: \$1,327). This result comprises two elements:

- a net loss attributable to members of \$301 (2022: \$11,515 profit); and
- a net gain attributable to members of \$10,197 (2022: \$10,188 loss) reported through the Statement of Comprehensive Income.

Net tangible assets were 88.56 cents per share (30 June 2023: 83.65 cents). Earnings per share were -0.15 cents (2022: 5.87 cents). Total comprehensive earnings per share were 5.05 cents (2022: 0.68 cents).

Cash Management

Cash and cash equivalents as at 31 December 2023 were \$28,925 (30 June 2023: \$36,731).

Ariadne remains in a strong financial position, with a sound balance sheet and good cash reserves, and is well-placed to grow shareholder value.

Investments

The Group's investment division recorded a net profit for the half-year of \$2,965 (2022: \$15,353).

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

The division's share of joint ventures and associates results for the period was a net profit of \$803 (2022: \$722).

Dividends received during the period were \$1,078 (2022: \$11,792). The substantial decrease from prior period was due to the large one-off \$11,094 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 of \$607 (2022: \$3,001) and a portion of the strategic portfolio revalued through profit or loss recorded a net loss of \$595 (2022: \$750 gain) during the reporting period due to mark-to-market revaluations.

The balance of the strategic portfolio reported in other comprehensive income recorded a net gain of \$9,777 (2022: \$12,550 loss) during the period due to mark-to-market revaluations mainly arising from Ariadne's investment in Hillgrove Resources Limited and ClearView Wealth Limited, being \$7,763 and \$2,314 respectively.

Ariadne's investment in Foundation Life NZ Limited continues to perform in line with expectations, contributing \$150 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.

Directors' Report

Property

The Group's property division recorded a net loss for the half-year of \$1,654 (2022: \$2,036 loss).

The division's result is derived from the Group's 61% indirect debt and equity interest in Orams Residential Limited ("Residential") and Orams Group Limited ("Orams") - the owner of Orams Marine Village 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 loss associated with the Group's exit of its investment in the Redfern Project – an option over land in Redfern, Sydney.

The Group's net loss associated with its investment in Orams during the period was \$219 (2022: \$1,078 loss).

The result includes the Group's share of loss from Orams and Residential during the period was \$624 (2022: \$208 loss) and its interest earned on the associated loan to Orams was \$239 (2022: \$162). Other financing and administration costs associated at the interposed Orams NZ Unit Trust ("ONZUT") level were \$527 (2022: \$955). A \$693 gain (2022: \$77 loss) relating to the Contingent Consideration, due to and equal to 30% of 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 30% interest in ONZUT, 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.

During the period the Group, via its controlled entity ONZUT, subscribed for a NZ\$10,000 convertible note issued by Orams, the proceeds of which were applied in reduction of Orams' bank facility.

During the last six months the level of forward bookings and enquiries from a wide range of superyachts, domestic vessels, and commercial craft, has continued to grow giving Orams Marine a solid pipeline of work through to 2025 and beyond. The impact of this increased activity is reflected in number of hauls in the half year being 17% above the same period last year, with maintenance and marina revenue also experiencing a 28% and 73% respective uplift over the prior comparable period. Focus is now on continuing to expand labour and workshop resources to service this significant increase in work. With its current commercial tenancies at full capacity, strong rental growth prospects in the Wynyard Quarter and an improving operational contribution from Orams Marine, Orams is well-placed to increase earnings.

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 \$1,435 (2022: \$958 loss).

TAXATION

Ariadne has significant carried forward revenue and capital losses available to offset future taxable profits. At 31 December 2023, these were estimated to be \$73,804 (30 June 2023: \$75,859) and \$72,081 (30 June 2023: \$72,081) respectively.

DIVIDENDS AND CAPITAL MANAGEMENT

A fully franked interim dividend of \$489, which represents 0.25 cents per share, has been declared in relation to the 30 June 2024 financial year. No liability has been recognised in the 31 December 2023 financial statements as this dividend was declared after the balance sheet date.

The FY23 final dividend of \$490 (0.25 cents per share) declared in August 2023 was paid on 28 September 2023.

During the period Ariadne bought back and cancelled 148,193 shares at a cost of \$78. The buy-back is for the purpose of acquiring shares where they are trading at prices below the Board's view of the intrinsic value of the shares, such acquisitions benefiting all shareholders.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Apart from the interim dividend declared, no other matter or circumstance has arisen since 31 December 2023 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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the directors.



Mr David Hancock
Chairman
Sydney
29 February 2024

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Auditor's Independence Declaration

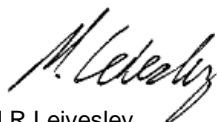
To the Directors of Ariadne Australia Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Ariadne Australia Limited for the half-year ended 31 December 2023. 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 review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M R Leivesley
Partner – Audit & Assurance

Sydney, 29 February 2024

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Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

		GROUP	
	Notes	2023 \$'000	2022 \$'000
CONTINUING OPERATIONS			
Operating income	4(i)	2,860	12,916
Other net gains	4(ii)	560	3,364
Share of joint ventures' and associates' profits		179	514
Employee, non-cash and other expenses	4(iii)	(2,397)	(2,416)
Impairment provision		(716)	(1,921)
Finance costs		(1,180)	(1,154)
PROFIT OR (LOSS) BEFORE INCOME TAX		(694)	11,303
Income tax expense	5	—	—
PROFIT OR (LOSS) AFTER TAX FROM CONTINUING OPERATIONS		(694)	11,303
Attributable to:			
Non-controlling interests		(393)	(212)
MEMBERS OF ARIADNE		(301)	11,515
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net fair value movement of the strategic portfolio revalued through OCI, net of tax		9,777	(12,550)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operations		383	2,981
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		10,160	(9,569)
Attributable to:			
Non-controlling interests		(37)	619
MEMBERS OF ARIADNE		10,197	(10,188)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		9,466	1,734
Attributable to:			
Non-controlling interests		(430)	407
MEMBERS OF ARIADNE		9,896	1,327
Earnings per share			
Basic earnings per share (cents)		(0.15)	5.87
Diluted earnings per share (cents)		(0.15)	5.82
Comprehensive Earnings per share			
Basic earnings per share (cents)		5.05	0.68
Diluted earnings per share (cents)		5.03	0.67

The statement of comprehensive income should be read in conjunction with the accompanying notes.

Balance Sheet

		GROUP	
		AS AT 31 December 2023 \$'000	AS AT 30 June 2023 \$'000
	Notes		
ASSETS			
Current Assets			
Cash and cash equivalents		28,925	36,731
Receivables		2,858	2,045
Financial assets	6,9	3,991	3,477
Other current assets		172	1,756
Total Current Assets		35,946	44,009
Non-Current Assets			
Receivables and convertible notes	7	19,995	10,231
Financial assets	8,9	83,561	73,965
Investments in joint ventures and associates	11	81,921	83,764
Right of use assets		1,069	1,270
Total Non-Current Assets		186,546	169,230
TOTAL ASSETS		222,492	213,239
LIABILITIES			
Current Liabilities			
Trade and other payables		494	1,124
Lease liabilities		421	406
Loans and borrowings		13,548	15,228
Provisions		898	882
Total Current Liabilities		15,361	17,640
Non-Current Liabilities			
Lease liabilities		773	989
Loans and borrowings		6,501	4,594
Financial liabilities	9,13	11,176	11,870
Provisions		—	21
Total Non-Current Liabilities		18,450	17,474
TOTAL LIABILITIES		33,811	35,114
NET ASSETS		188,681	178,125
EQUITY			
Issued capital	12	377,920	377,998
Reserves		226,893	217,184
Accumulated losses		(431,403)	(431,258)
EQUITY ATTRIBUTABLE TO MEMBERS OF ARIADNE AUSTRALIA LIMITED		173,410	163,924
Non-controlling interests		15,271	14,201
TOTAL EQUITY		188,681	178,125

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

Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

As at 1 July 2022

	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	ARIADNE \$'000	Non- controlling interest \$'000	GROUP \$'000
As at 1 July 2022	378,156	216,860	(424,100)	170,916	15,330	186,246
Profit for the period	—	—	11,515	11,515	(212)	11,303
Other comprehensive income	—	(10,188)	—	(10,188)	619	(9,569)
Total comprehensive income for the period	—	(10,188)	11,515	1,327	407	1,734
Cost of shares bought back	(29)	—	—	(29)	—	(29)
Transfer of reserves to accumulated losses	—	(67)	67	—	—	—
Cost of share-based payment	—	45	—	45	—	45
Dividends	—	(1,472)	—	(1,472)	(143)	(1,615)
As at 31 December 2022	378,127	205,178	(412,518)	170,787	15,594	186,381

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

As at 1 July 2023

	377,998	217,184	(431,258)	163,924	14,201	178,125
Profit / (loss) for the period	—	—	(301)	(301)	(393)	(694)
Other comprehensive income	—	10,197	—	10,197	(37)	10,160
Total comprehensive income for the period	—	10,197	(301)	9,896	(430)	9,466
Cost of shares bought back	(78)	—	—	(78)	—	(78)
Transfer of reserves to accumulated losses	—	(62)	62	—	—	—
Cost of share-based payment	—	64	—	64	—	64
Equity transactions with equity holders	—	—	94	94	1,906	2,000
Dividends	—	(490)	—	(490)	(406)	(896)
As at 31 December 2023	377,920	226,893	(431,403)	173,410	15,271	188,681

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

Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

GROUP

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from other income		185	30
Payments to suppliers and employees		(2,473)	(2,066)
Dividends and distributions received		3,444	12,092
Receipts from trading portfolio sales		94	8,410
Payments for trading portfolio purchases		—	(2,806)
Interest received		962	379
Interest and borrowing costs paid		(1,036)	(1,018)
Lease liability interest paid		(15)	(19)
Net cash flows from operating activities		1,161	15,002
Cash flows from investing activities			
Proceeds from strategic portfolio sales / return of capital	8	—	11,038
Payments for strategic portfolio purchases	8	(414)	(558)
Loans repaid		—	127
Loans advanced	7	—	(642)
Convertible notes acquired	7	(9,379)	—
Net cash flows (used in) / from investing activities		(9,793)	9,965
Cash flows from financing activities			
Repayment of lease liabilities		(200)	(86)
Repayment of borrowings		—	(500)
Issue of equity in non-controlling interest		2,000	—
Payments under share buy-back		(78)	(29)
Dividends paid to members of the parent entity		(490)	(1,472)
Dividends paid to non-controlling interests		(406)	(143)
Net cash flows from / (used in) in financing activities		826	(2,230)
Cash and cash equivalents at beginning of period		36,731	22,880
Net (decrease) / increase in cash and cash equivalents		(7,806)	22,737
Cash and cash equivalents at end of period		28,925	45,617

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

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

1. CORPORATE INFORMATION

The consolidated financial report of Ariadne Australia Limited (“Ariadne”) together with its controlled entities (“the Group”) for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 29 February 2024.

Ariadne is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (“ASX”) under ASX code “ARA”. A review of the Group’s operations is included in the Directors’ Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual financial report and should be read in conjunction with the most recent annual financial report.

It is also recommended that the half-year financial report be considered together with any public announcements made by Ariadne during the half-year reporting period in accordance with the continuous disclosure obligations of the *Corporations Act 2001* and ASX listing rules.

Basis of preparation

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*.

The half-year financial report has been prepared on a historical cost basis, except for held-for-trading financial assets which have been measured at fair value through profit or loss and other/strategic financial assets which have been measured at fair value through profit or loss or other comprehensive income depending on their accounting treatment under accounting standard AASB 9 *Financial Instruments*.

The amounts contained in the Directors’ Report and the half-year financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to Ariadne in accordance with *ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191*.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are relevant and effective for the current half-year. The Group’s adoption of all new and revised Standards and Interpretations issued by the AASB, that are relevant to its operations and effective for the half-year, have had no material impact on the amounts recognised in the half-year financial report.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group’s most recent annual financial report for the financial year ended 30 June 2023. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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 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 effects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

3. SEGMENT INFORMATION

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.

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.

Consistent with the reportable segment presented in the most recent annual financial report the following table presents income and profit information for the half-year periods ended 31 December 2023 and 31 December 2022, and total asset information as at 31 December 2023 and 30 June 2023.

FOR THE HALF-YEAR ENDED 31 DECEMBER	INVESTMENTS		PROPERTY		UNALLOCATED^		GROUP	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Segment Revenue and Results								
External	1,078	11,792	380	158	186	66	1,644	12,016
Interest	958	716	258	175	—	8	1,216	899
Other gains / (losses)	5	3,751	555	(387)	—	—	560	3,364
Share of joint ventures' and associates' profits / (losses)	803	722	(624)	(208)	—	—	179	514
Total segment revenue and other income	2,844	16,981	569	(262)	186	74	3,599	16,793
Profit / (loss) after income tax	2,965	15,353	(1,654)	(2,036)	(2,005)	(2,014)	(694)	11,303
AS AT	31 Dec 2023 \$'000	30 June 2023 \$'000	31 Dec 2023 \$'000	30 June 2023 \$'000	31 Dec 2023 \$'000	30 June 2023 \$'000	31 Dec 2023 \$'000	30 June 2023 \$'000
Total Segment Assets	121,246	129,984	87,356	79,202	13,890	4,053	222,492	213,239

^ Unallocated segment includes management income, corporate income and costs, and other corporate assets.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

4. INCOME AND EXPENSES

Profit before income tax expense includes the following income and expenses, the disclosure of which is relevant in explaining the performance of the Group:

		GROUP	
	Note	2023 \$'000	2022 \$'000
(i) Operating income			
Interest income		1,216	899
Dividend income		1,078	11,792
Other income		566	225
		2,860	12,916
(ii) Other gains / (losses)			
Net gain on the trading portfolio		607	3,001
Net gain / (loss) on the strategic portfolio revalued through profit or loss		(595)	750
Net loss foreign currency		(145)	(310)
Net decrease / (increase) in contingent consideration	13	693	(77)
		560	3,364
(iii) Employee, non-cash and other expenses			
Administration expenses		663	687
Employee benefits expense		1,325	1,306
Depreciation and amortisation		200	210
Other expenses		209	213
		2,397	2,416

5. TAXATION

Ariadne has significant carried forward revenue and capital losses available to offset future taxable profits. At 31 December 2023 these are estimated to be \$73,804 (30 June 2023: \$75,859) and \$72,081 (30 June 2023: \$72,081) respectively.

6. FINANCIAL ASSETS (CURRENT)

Investments in the trading portfolio were valued at \$3,991 (30 June 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 9.

7. RECEIVABLES AND CONVERTIBLE NOTES (NON-CURRENT)

		GROUP	
	Notes	AS AT 31 December 2023 \$'000	AS AT 30 June 2023 \$'000
Related entity loans and advances		5,508	5,237
Related entity convertible notes ⁽ⁱ⁾		9,287	—
Other loans and advances		5,200	4,994
		19,995	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 ONZUT 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 \$14,795 (30 June 2023: \$5,237), to OGL are directly supported by the assets of the borrower.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

8. FINANCIAL ASSETS (NON-CURRENT)

		GROUP	
		AS AT 31 December 2023 \$'000	AS AT 30 June 2023 \$'000
Financial Assets (Non-Current)	Notes		
Cost		76,700	75,238
Accumulated fair value adjustments		6,861	(1,273)
Net carrying amount of Financial Assets (Non-Current)		83,561	73,965
<i>Reconciliations for listed strategic investments</i>			
Opening balance		37,162	61,046
Additions		—	2,000
Fair value adjustments through other comprehensive income	(i)	10,453	(15,377)
Return of capital / disposals		—	(10,507)
Net carrying amount of listed strategic investments	9	47,615	37,162
<i>Reconciliations for unlisted strategic investments</i>			
Opening balance		36,803	36,622
Additions		414	1,006
Fair value adjustments through profit or loss	(i)	(595)	457
Fair value adjustments through other comprehensive income	(i)	(676)	214
Disposals		—	(1,496)
Net carrying amount of unlisted strategic investments	9	35,946	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, refer to Note 9.

9. FAIR VALUE MEASUREMENT

Cash

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

Trade, other receivables and convertible notes

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 tables show the levels within the hierarchy of financial assets measured at fair value on a recurring basis.

Financial Assets	Note	Level 1	Level 2	Level 3	Total
31 December 2023					
Listed trading investments	6	3,991	—	—	3,991
Listed strategic investments	7	47,615	—	—	47,615
Unlisted strategic investments	7	—	17,606	18,340	35,946
Total Financial Assets		51,606	17,606	18,340	87,552

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

9. FAIR VALUE MEASUREMENT (Continued)

Financial Assets	Note	Level 1	Level 2	Level 3	Total
30 June 2023					
Listed trading investments	6	3,477	—	—	3,477
Listed strategic investments	7	37,162	—	—	37,162
Unlisted strategic investments	7	—	19,448	17,355	36,803
Total Financial Assets		40,639	19,448	17,355	77,442

	GROUP	
	AS AT 31 December 2023	AS AT 30 June 2023
	\$'000	\$'000
Reconciliation of Level 3 - Financial Assets		
Opening balance	17,355	—
Transfers in from Level 2	1,264	17,355
Fair value adjustments through other comprehensive income	(279)	—
Closing balance	18,340	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.

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 an investment has occurred within twelve months to balance sheet date, this transaction is adopted as fair value for the particular investment which 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, 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. 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.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

9. FAIR VALUE MEASUREMENT (Continued)

Investee	Fair Value as at December 2023	Level	Valuation Technique	Significant Unobservable Input	Range of Unobservable Inputs
FinClear Holdings Limited	\$13,175	3	Revenue Multiple	Revenue Multiple	5.7x-15.3x
Lark Technologies Inc.	\$3,939	3	Revenue Multiple	Revenue Multiple	7.3x-22.2x
Immutable Pty Ltd	\$1,226	3	Revenue Multiple *	Revenue Multiple	7.6x-15.0x

* 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	Note	Level 1	Level 2	Level 3	Total
31 December 2023					
Contingent Consideration	13	—	11,176	—	11,176
Total Financial Liabilities		—	11,176	—	11,176
30 June 2023					
Contingent Consideration	13	—	11,870	—	11,870
Total Financial Liabilities		—	11,870	—	11,870

The Contingent Consideration has been remeasured to fair value using a Level 2 input, share of net assets. For more information refer to Note 13.

10. CONTROLLED ENTITIES

There were no changes to the Group's controlled entities during the period.

11. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

Name	Principal activity	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
			31 Dec 2023	30 June 2023
Orams Group Limited *	Marina management	NZ	76%	76%
Orams Residential Limited *	Residential development	NZ	76%	76%
Lake Gold Pty Ltd	Mineral exploration	AUS	50%	50%
AgriCoat NatureSeal Limited	Food life extension technology	UK	17%	17%
NatureSeal Inc	Food life extension technology	US	17%	17%

* 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 each respective company, therefore no individual shareholder has control.

12. ISSUED CAPITAL

During the period Ariadne bought back and cancelled 148,193 shares at a cost of \$78 reducing issued capital to \$377,920 (30 June 2023 \$377,998). There were 195,820,974 shares on issue at balance date (30 June 2023: 195,969,167).

During the period the Group, via its controlled entity Orams NZ Unit Trust ("ONZUT"), raised \$2,000 from non-controlling interests by way of a proportional placement of units in the trust.

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

13. CONTINGENT ASSETS AND LIABILITIES

Ariadne has 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 Contingent Consideration was \$11,176 (30 June 2023 \$11,870), a reduction of \$693 (2022: increase of \$77) during the period.

14. OTHER EVENTS AFTER THE BALANCE SHEET DATE

A fully franked interim dividend of \$489, which represents 0.25 cents per share has been declared in relation to the 30 June 2024 financial year. No liability has been recognised in the 31 December 2023 financial statements as this dividend was declared after the balance sheet date.

No other matter or circumstance has arisen since 31 December 2023 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' Declaration

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

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity for the half-year ended 31 December 2023 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2023 and of its performance for the half-year ended on that date;
 - (ii) complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Mr David Hancock
Chairman
Sydney
29 February 2024

Independent Auditor's Review Report

To the Members of Ariadne Australia Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Ariadne Australia Limited (The Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, and 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 half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Ariadne Australia Limited does not comply with the *Corporations Act 2001* including:

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

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



M R Leivesley
Partner – Audit & Assurance
Sydney, 29 February 2024