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2025 REVIEW

The Directors present the Annual Report of Ariadne Australia Ltd (“Ariadne” or “the Group”) for the period ended 30 June 2025.

Results for the period (millions)	30 June 2025	30 June 2024
Net profit attributable to members	4.3	1.6
Other comprehensive income attributable to members	(4.7)	(1.7)
Total comprehensive income attributable to members	(0.4)	(0.1)
Total comprehensive income per share (cents)	(0.18)	(0.07)
Net tangible assets per share (cents)	82.27	83.28
Net operating cash outflow	(7.3)	(0.9)

Investments

The Investment division recorded a net profit before tax of \$9.4 million (FY24: \$5.2 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 \$2.5 million (FY24: \$1.6 million).

Dividends received during the period were \$0.7 million (FY24: \$1.6 million).

The trading portfolio recorded a net profit for the period of \$5.0 million (FY24: \$1.1 million) including a gain in the investment in Webjet Group Ltd of \$4.5 million and a portion of the strategic portfolio recorded a net gain of \$0.5 million (FY24: \$0.4 million loss) due to mark-to-market revaluations.

The balance of the strategic portfolio recorded a net loss of \$5.4 million (FY24: \$0.1 million profit) during the period due to mark-to-market revaluations including a decline in market value of Hillgrove Resources Ltd of \$7.0 million, partially offset by a gain in the investment in Cover

Genius Ltd of \$4.1 million. These movements are recorded through other comprehensive income and not included in the reported net profit.

Ariadne's 54% interest in Freshxtend International Pty Ltd with its 17% investment in the NatureSeal Group again contributed positively during the period, with the US business performing materially above prior period.

Orams

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

The Group's net loss associated with its investment in Orams during the period was \$2.0m (2024: \$0.5m loss). The result includes the Group's share of loss from Orams during the period of \$2.0m (2024: breakeven) and its interest earned on the associated loans provided to Orams was \$0.7m (2024: \$1.1m). Other financing and administration costs were \$0.7m (2024: \$1.6m). The current year's result included a revaluation loss, net of deferred tax, of \$1.2 million (FY24: \$2.3 million) in relation to the residential site at Orams. The result was further impacted by accounting adjustments, transaction and other costs associated with the Orams's strategic partnership with Precinct Properties Holdings Limited entered into in November 2024.

The partnership with Precinct Properties has transformed OGL's balance sheet, reducing OGL's debt facility from NZ\$103 million to NZ\$17 million, while unlocking A\$28.6 million in cash at the Group level. This included A\$11.5 million from a restricted term deposit previously supporting OGL's banking facility and A\$17.1 million in cash returned to the Group from OGL. A portion of these proceeds were applied to repayment of Orams New Zealand Unit Trust's residual subordinated debt facility. Finance costs have continued to be a focus, with the lowering interest rate environment in New Zealand enabling cost-effective forward cover to be put in place at the partnership level, minimising the risk over the medium term.

In addition to its 75.1% holding in Westhaven Commercial Limited Partnership (which holds the ground lease and buildings of Orams Marine Village), OGL retains 100% ownership of Orams Marine Services Ltd ("OMSL"), New Zealand's largest marine maintenance and refit services business. This highly profitable division continues its strong growth trajectory, with turnover increasing by 10% for the twelve months ended June 2025 compared to the prior period. A lot of focus has been applied on expanding the operation to support this level of growth, with additional staff hired in key areas. This is putting pressure on available work areas which the new commercial buildings should assist in addressing. This world-class facility – now globally acknowledged as the superyacht hub of the South Pacific – has a robust forward order book, with bookings now being taken for 2027 and beyond. OGL's underlying EBITDA for the period was NZ\$12.3 million (FY24 NZ\$11.8 million).

The Precinct partnership has enabled the immediate commencement of construction of two mixed-use commercial buildings within Orams Marine Village. This fully funded development will provide much needed workspace for the operating business while also increasing the area available for lease to tenants. Construction is progressing within budget and timelines and is scheduled for completion by December 2026. A leasing campaign is currently underway.

Considerable preliminary design has also progressed for the residential development on the adjoining site. An application has recently been lodged under the New Zealand Government's "Fast-Track" approvals regime which offers a permanent process for obtaining resource consent and a wide range of other approvals for housing and development projects with significant regional benefits.

Significant Investments

- **Coast Entertainment Holdings Ltd** ("Coast"). Coast again reported improved sales and attendances, with its Theme Park & Attractions business reporting EBITDA (excluding Specific Items) up 19.4%, representing the third consecutive year of positive earnings and growth. Coast has a solid debt-free balance sheet, with cash of \$33.9 million as at balance date, available tax losses of \$139.42 million and surplus freehold land and is well-positioned for further growth.
- **Hillgrove Resources Ltd** ("Hillgrove"). As previously stated, Hillgrove has promised much over the years but has consistently underperformed and been a significant drag on Ariadne's financial results for some time. Frustratingly, this continued into FY25, with the decline in Hillgrove's share price leading to a \$7 million mark-to-market loss during the period. The next few months will prove critical for Hillgrove's performance and market credibility as it commences access to the Nugent deposit to augment its current mining of the existing Kavanagh resource. Our holding has significant value upside if the Hillgrove share price trades closer to broker target prices: every 1c increase in Hillgrove's share price represents a 1.25c increase in Ariadne's net asset value.
- **Clearview Wealth Ltd** ("ClearView"). Again, another very disappointing investment for Ariadne which continues to trade at a substantial discount to embedded value. ClearView reported good 2H25 results which helped to offset the poor 1H25 performance. Hopefully this will improve market sentiment towards the company and lead to a narrowing of the discount.
- **Webjet Group Limited** ("Webjet"). During the year Ariadne initiated a position in Webjet following its spinout from WEB Travel Group Ltd in late 2024. Webjet is Australia's and New Zealand's largest online travel agency and the dominant player in the domestic travel market. There is significant potential to grow the business with increasing international travel spend, ancillaries and hotel and package options. With 5 million unique monthly visitors, strong brand name recognition and a buoyant travel market we believe there is significant potential value in the company. Webjet has substantial cash reserves of \$118 million and is debt free. Ariadne has teamed up with BGH Capital and the consortium has a total combined holding of 15%, being the second largest shareholder. An indicative non binding offer of \$0.80 per share put forward by the consortium in May was rejected by Webjet.
- **Future Group Australia Holdings Pty Ltd** ("Future Group"). Future Group is now one of Australia's largest superannuation groups with over 415,000 members and c \$17 billion in funds under management and advice. The group operates five brands, including Future Super, smartMonday, Child Care Super, GuildSuper and Verve Super. 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. Most recently the company has taken over the Zurich Master Superannuation Fund and the MLC Insurance

Only division which has added \$1 billion of funds under management. During the period Future Group delivered an underlying EBITDA of \$27.8 million and \$16.5 million in underlying NPAT, a 718% increase since the last funding round in 2023 at a time when the company had underlying EBITDA of \$3.4 million. After year end Ariadne made a further investment of \$4.3 million as part of a secondary transaction. This was at the same valuation as the Series C round in 2023, notwithstanding the significant improvement in the company's trading and growth prospects.

- **Good Drinks Australia Limited** ("Good Drinks"). During the year Ariadne initiated an investment in Good Drinks, prior to its de-listing from the Australian Stock Exchange in December 2024. Good Drinks has established itself as a leading independent growth story in the Australian brewing industry, demonstrating strong brand-building capabilities, scale advantages, and significant momentum. As one of Australia's largest independent brewers, it has a diverse national portfolio that includes brands such as Gage Roads, Matso's, Alby, Rider, Hello Sunshine, and international brands like Coors, Magners, San Miguel, and Rekorderlig. The company is the fourth largest brewer by market share and is the fastest-growing among the top four. Good Drinks has also excelled in the hospitality sector with flagship venues like Gage Roads Freo in Fremantle, WA, and Matso's Sunshine Coast in QLD, which have become key destinations for both locals and tourists. Despite a declining beer market, Good Drinks has outperformed with a volume growth of 7-9%, compared to the market decline of 4-5%. The investment thesis for Good Drinks focuses on continued investment in brand-building and market share, positioning the company for long-term value creation, potentially through trade or asset sales.
- **King River Capital** ("King River"). At balance date, the aggregate carrying value of Ariadne's King River-related investments was \$26.8 million, representing an overall unrealised gain of \$14.7 million over cost. Ariadne's investments in FinClear and Immutable all maintained their June 2024 valuations as they continue to perform in line with budget. The investments in Cover Genius and Lark were written up by 56% and 93% respectively, following fundraisings at an increased valuation. Overall, our investments with King River continue to perform well.
- **Foundation Life** Although the timetable for the restructuring of the business – the former life insurance business of Tower Ltd which had been placed in runoff - has been impacted by delays the process is now back on track and has recently achieved a number of key milestones. The restructure will likely be implemented in early September, after which we anticipate an initial distribution of NZ\$3–4 million. Further distributions will follow once all policyholder obligations are settled. We anticipate receiving distributions of 1.3–1.5x our capital.

ARIADNE

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 2025.

Assets	\$M	\$M	Liabilities	\$M
Cash		20.3	Payables and Provisions	2.2
<u>Investments</u>			Debt	7.2
Orams	65.9		Other Payables	9.4
Webjet	17.7		Minority Interests	18.0
Freshxtend	12.5		Total Liabilities	36.8
Cover Genius	11.6			
King River	11.4		Shareholders' Funds	160.3
FinClear	10.9			
Other Strategic Assets	10.1			
Coast	8.6			
Hillgrove	8.6			
ClearView	6.0			
Foundation Life	5.6			
Trading Portfolio	3.9			
Lark Technologies	2.6			
<u>Total Investments</u>		175.4		
Fixed Assets and Other		1.4		
Receivables			Total Liabilities &	
Total Assets		197.1	Shareholders' Funds	197.1

Tax

Ariadne has substantial carry forward revenue and capital losses available to offset future taxable profits. At 30 June 2025 these are estimated to be \$67.3 million (30 June 2024: \$72.7 million) and \$83.8 million (30 June 2024: \$83.9 million) respectively. As at balance date, Ariadne had a deferred tax asset of \$45.3 million which is not recognised in Ariadne's accounts.

Dividends and Capital Management

With reduced debt levels, retained ownership of the high-performing marine service business, and accelerated development plans for the Auckland properties supported by our strategic partner, Precinct Properties, Orams is well-positioned for sustainable long-term growth. This is anticipated to deliver significant benefits for Ariadne in the years ahead.

The Board is cognisant that Ariadne shares have for some time traded at a significant discount to net assets. The Board will continue to review possible steps to seek to address this issue.

ARIADNE

A partially franked final dividend of 0.50 cents per share has been declared by the directors, bringing the total dividends for FY25 to 1.00 cents per share (FY24: 0.75 cents per share).

On 3 March 2025, Ariadne announced the extension of its on-market share buy-back facility as part of ongoing capital management initiatives.

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Authorised for release by: The Board of Ariadne Australia Limited

For further information please contact:

Gary Weiss, AM

Executive Director

+61 2 8227 5500