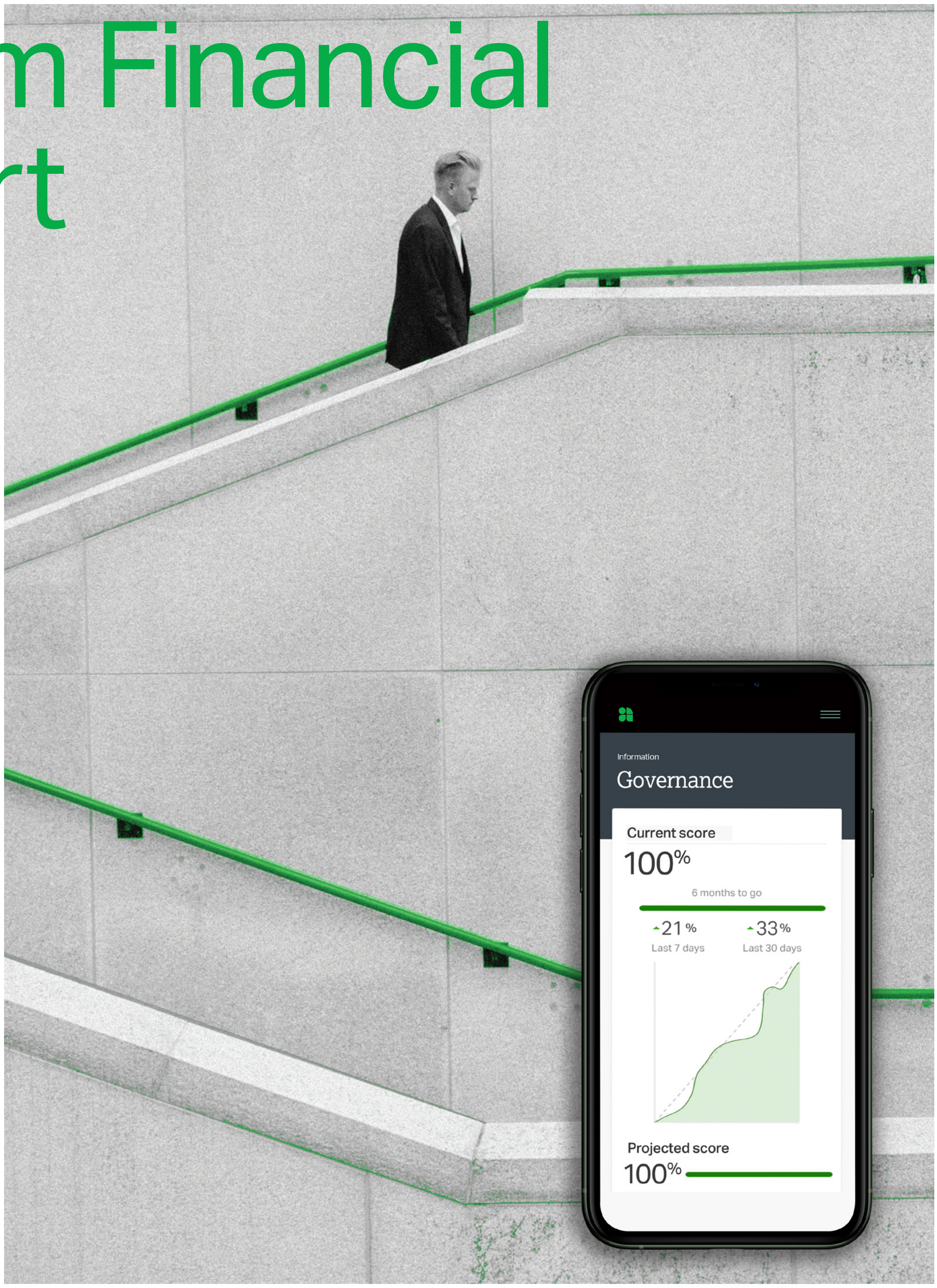
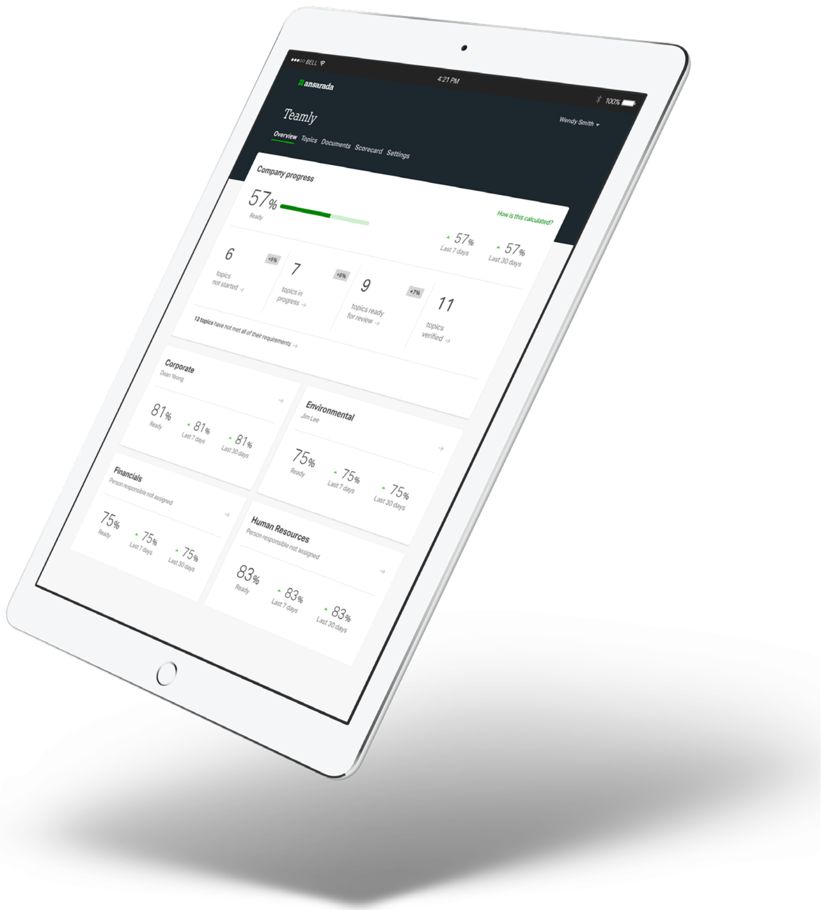
For the half year ended
31 December 2020

ansarada

Appendix 4D and Consolidated Interim Financial Report



Contents


ansarada
Teamly
Overview Topics Documents Scorecard Settings
Company progress
57%
Corporate
Environmental
Financials
Human Resources

At a glance

>3.0k

active customers[1] across a diverse range of industries

>24k

transactions[4] executed on the Ansarada platform since being founded in 2006

>460k

unique users[2] across 153 countries

>15yrs

of deal data helped create leading technologies and AI capabilities

>70%

win rates and strong market share[3] in key Australia and New Zealand (ANZ) markets

+US$20bn

TAM[5] significantly expanded following development of workflow solutions and expanding use cases into information governance

[1] *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] *As at December 2020. Refers to unique data room user profiles (unique profiles excludes those deleted or disabled).*
[3] *For the 12 months ending 31 December 2020 Win rate calculated as the total number of proposals submitted and subsequent wins by Ansarada and TDY in aggregate, when invited to submit a proposal.*
[4] *Based on number of customer data rooms (excluding demo's and deleted rooms) as at 31 December 2020.*
[5] *Marketsandmarkets(2019). Addressable market includes global VDR and Enterprise Governance, Risk & Compliance Markets.*

Appendix 4D

Preliminary final report for the half year ended 31 December 2020.

Ansarada Group Limited (Ansarada) and its controlled entities (the Ansarada Group or Group) results for announcement to the market are detailed below.

Results for announcement to the market	31 December 2020 $'000	31 December 2019 $'000	Up/(down)	Movement %
Net profit/(loss) after tax from operations	3,402	(9,257)	12,659	137%
Total net profit/(loss) after tax attributable to members of the Group	3,402	(9,257)	12,659	137%
Revenue from operations	15,304	16,873	(1,569)	-9%

Entities over which control, joint control or significant influence was gained or lost during the period

On the 4 December 2020, Ansarada Group Limited (ASX: AND) (formerly thedocyard Limited (ASX: TDY) completed the acquisition of 100% of the share capital of Ansarada NewCo Pty Ltd.

The transaction is accounted for as a reverse acquisition of Ansarada Group Limited (formerly thedocyard Limited) and its controlled entities by Ansarada NewCo Pty Limited. On 6 July 2020, thedocyard Limited acquired 100% of the share capital of Lockbox Technologies Pty Ltd.

Other Information

No dividends have been declared for the financial period ended 31 December 2020.

Net Tangible Assets	31 December 2020	31 December 2019
Net Tangible assets per security	0.16¢	(6.06)¢

Explanation of results

Please refer to the Review of Operations for an explanation of the results.

This Appendix 4D should be read in conjunction with the Consolidated Annual Financial Report of Ansarada NewCo Pty Limited for the year ended 30 June 2020. Refer to ASX announcement on the 8 December 2020. This report should also be read in conjunction with any public announcements made by Ansarada in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX listing rules.

This Appendix 4D report is based on the Consolidated Interim Financial Report for the period ended 31 December 2020 that has been reviewed by KPMG.

The information provided in this report contains all the information required by ASX Listing Rule 4.3A.

Directors' Report

The directors present their report together with the Consolidated Interim Financial Statements of the Group comprising of Ansarada Group Pty Limited and its controlled entities (the Ansarada Group or Group) (formerly known as thedocyard, TDY), for the half year year ended 31 December 2020, and the Independent Auditor's Review Report thereon.

1. Directors

The Directors of Ansarada Group Limited at any time during or since the end of the half year were as follows:

The Board of Directors

Peter James

Chairman, Independent Non-Executive Director – Appointed 4 December

Peter has extensive experience as Chair, Non-Executive Director and Chief Executive Officer across a range of publicly listed and private companies, particularly in emerging technologies, digital disruption, cyber security, e-commerce and media.

Peter is currently Chairman at Droneshield (ASX:DRO), Nearmap (ASX:NEA), Keytone Dairy (ASX:KTD) and Macquarie Telecom Group (ASX:MAQ).

Peter is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Computer Society.

Sam Riley

Chief Executive Officer, Executive Director - Appointed 4 December

Sam co-founded Ansarada and was part of the founding team which built Ansarada from $30k in seed capital.

Sam has 14 years' experience as CEO and has established Ansarada as an employer of choice, having been listed on the top 50 great places to work for 9 years.

Stuart Clout

Chief Revenue Officer, Executive Director

Stuart Clout is the Founder of thedocyard. Prior to founding the thedocyard Stuart practiced as a corporate lawyer both in large law firm partnership with Colin Biggers & Paisley in Sydney and in house with the Tesco Group, a Fortune 100 company in London.

Stuart has over 15 years' experience as a corporate transactional lawyer and is an admitted solicitor in both NSW and England & Wales. In private practice, Stuart acted for a variety of large private and listed corporate clients, primarily on M&A and transactional matters.

David Pullini

Independent, Non-Executive Director - Appointed 4 December

David has advisory experience and general management experience across multiple industries, including technology.

David is currently Principal of Ginostra Capital that actively holds both private and public market investments, together with being Chairman of Humanforce Pty Limited, Director of Vantage Asset Management and Investment Committee Member of Tempus Partners.

The following Directors resigned during the period:

- Steven Coffey (resigned 4 December 2020)
- Neale Java (resigned 4 December 2020)

1. Officers who were previously partners of the audit firm

None of the Group's officers have been employed as partners of the Group's auditor.

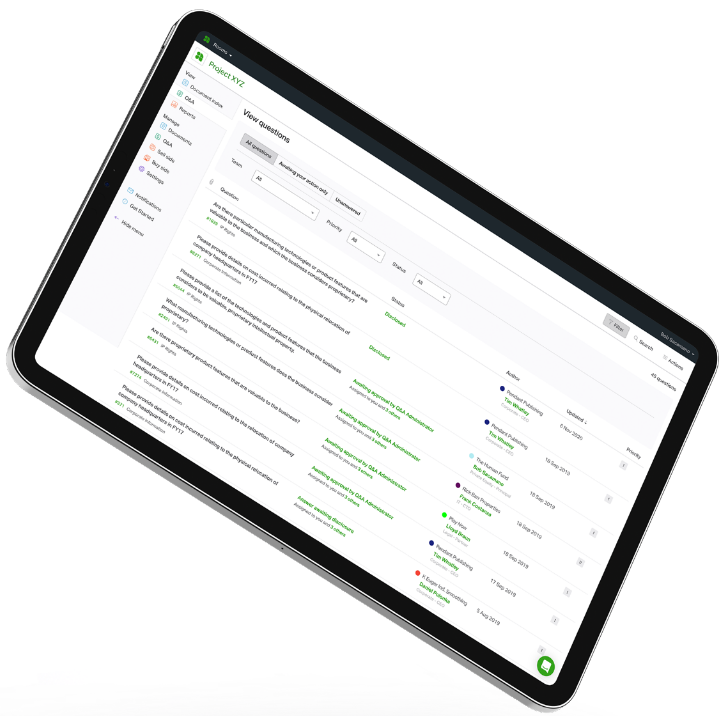
2. Environmental regulation

The Group's operations are not regulated by any significant Commonwealth, State or Territory environmental laws or regulation.

3. Principal activities

Ansarada is a global provider of cloud-based AI-powered virtual data rooms and material information platforms for secure end-to-end document and process management, supporting material transaction and governance outcomes for businesses throughout their lifecycle.

Ansarada's innovative and purpose-driven virtual data rooms enable the hosting, exchange and management of confidential material information between parties during critical events such as M&A (mergers and acquisitions), fundraising, tenders and IPOs via a business to business ("B2B") software ("SaaS") based platform.



Review of operations

Overview of the Group

The Ansarada Group is a global provider of cloud-based SaaS information governance solutions, enabling businesses to achieve critical outcomes with confidence through secure document management, workflow and collaboration tools.

Ansarada's market-leading solutions are scalable and serverless and leverage artificial intelligence and machine learning. Its solutions have supported more than 24,000 critical events for a diverse and global customer base of more than 3,000 large corporates, small businesses, advisers (including investment banks, legal and accounting firms), State Governments, Local Councils and financial sponsors (including asset managers, private equity firms and venture capital firms). Currently, 43% of the Group's $15.3 million 1H FY21 revenue is generated outside of Australia.

Acquisition of Ansarada Group Limited and Ansarada NewCo Pty Limited

On 4 December 2020, Ansarada Group Limited (formerly thedocyard Limited ('TDY Group') completed the acquisition of 100% of the share capital in Ansarada NewCo Pty Limited and its controlled subsidiaries ('Ansarada NewCo'). In accordance with accounting standards, this acquisition has been accounted for as a reverse acquisition business combination. On 24 November 2020, the Company Shareholders approved the renaming of thedocyard to Ansarada Group Limited.

In applying the requirements of AASB 3 Business Combinations to the Group:

(i) Ansarada Group Limited (formerly thedocyard Limited) is the legal parent entity to the Group; and

(ii) Ansarada NewCo Pty Limited, which is neither the legal parent nor legal acquirer, is deemed to be the accounting acquirer.

The consolidated financial information incorporated the assets and liabilities of all entities deemed to be acquired by Ansarada NewCo including the TDY Group and the results of these entities from 4 December 2020, being for the period from which those entities are accounted for as being acquired by Ansarada NewCo Pty Limited. The assets and liabilities of TDY Group acquired by Ansarada NewCo were recorded at fair value whilst the assets and liabilities of Ansarada NewCo were maintained at their book value. The impact of all transactions between entities in the Group were eliminated in full. The impact on equity of treating the formation of the Group as a reverse acquisition is discussed in more detail in note 24.

The acquisition was subject to the completion of a Capital Raising of $45.0 million through the issue of approximately 30.4 million shares and completion of a 10 to 1 share consolidation.

Ansarada Group Limited recommenced trading on the ASX on Wednesday 9th December at 10.00am under the ASX code AND.

ansarada + thedocyard + ATHENA BOARD

Acquisition of Ansarada Group Limited and Ansarada NewCo Pty Limited (continued)

AASB 3 Business Combinations requires that consolidated financial Statements prepared following a reverse acquisition shall be issued under the name of the legal parent (i.e. Ansarada Group Limited) but be a continuation of the financial statements of the legal subsidiary (i.e. Ansarada NewCo Pty Limited, the acquirer for accounting purposes). The implications of applying AASB 3 on each of the attached financial Statements comparatives are as follows:

Statements of financial position

The consolidated statement of financial position as at 30 June 2020 represents Ansarada NewCo Pty Limited and its controlled entities only. The consolidated statement of financial position for 31 December 2020 reflects the consolidated position of Ansarada NewCo Pty Limited and its controlled entities and Ansarada Group Limited and its controlled entities.

Statement of profit and loss other comprehensive income

The consolidated statement of profit and other comprehensive income for the period from 1 July to 31 December 2019 represents the results of Ansarada NewCo Pty Limited and its controlled entities only. Those for December 2020 reflect Ansarada NewCo Pty Limited and its controlled entities only for the period from 1 July 2020 to 3 December 2020, and the consolidated results of Ansarada NewCo Pty Limited and its controlled entities and Ansarada Group Limited and its controlled entities for the period from 4 December 2020 to 31 December 2020.

Statement of changes in equity

The consolidated statement of changes in equity for the period from 1 July to 31 December 2019 comprises Ansarada NewCo Pty Limited and its controlled entities only. The 2020 opening retained earnings and other equity balances recognised in the consolidated entity are those of Ansarada NewCo Pty Ltd and its controlled entities before the acquisition of Ansarada Group Limited.

The profit for the period, being the results of Ansarada NewCo Pty Limited and its controlled entities only for the period from 1 July 2020 to 3 December 2020 and the consolidated results for Ansarada NewCo Pty Ltd and its controlled entities and Ansarada Group Limited and its controlled entities for the period from 4 December 2020 to 31 December 2020.

Statement of cash flows

The 2019 consolidated statement of cash flows represents cash flows of Ansarada NewCo and its controlled entities only for the period 1 July 2019 to 31 December 2019. The 2020 consolidated statement of cash flows represents cash flows of Ansarada NewCo Pty Ltd and its controlled entities only for the period from 1 July 2020 to 3 December 2020 and the consolidated statement of cash flows for Ansarada NewCo Pty Limited and its controlled entities and Ansarada Group Limited and its controlled entities for the period from 4 December 2020 to 31 December 2020.

Business overview

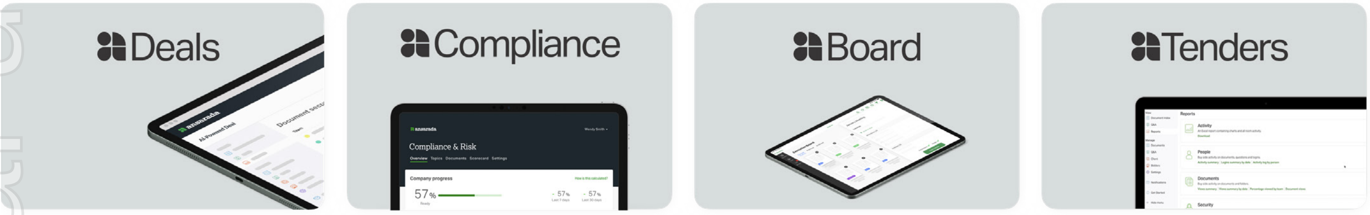
Following completion of the acquisition of thedocyard in December 2020, Ansarada Group is a global provider of cloud-based SaaS information governance solutions. Ansarada's product is a cloud-based, artificial intelligence ("AI") powered SaaS platform for end-to-end management of material outcomes for businesses throughout their lifecycle. It provides a single interactive system for managing business events and milestones such as raising capital, M&A, post-acquisition integration, audits, asset portfolio management, tenders, governance, risk, board and compliance.

Ansarada enables businesses to monitor information sharing, align, and scorecard individuals and information against outcomes, whilst tracking workflow (via dashboards, notifications, and collaboration tools). The platform enables customers to assess how prepared their business is for an upcoming event, sets out a clear pathway to adhere to in order to optimise the outcome and execute with confidence. It provides tools for good information governance, which increase productivity, enables efficiencies and better decision making, while also ensuring compliance and reducing risks across the business lifecycle.

Business overview (continued)

Ansarada has assisted leading global corporates, investment banks, financial institutions, private equity firms and legal and accounting advisors execute over 24,000 critical business transactions. The extensive data and experience from serving customers throughout these transactions has been leveraged to design AI and machine learning tools that drive efficiency through automation and simplicity, valuable insights, workflow collaboration, confidence and security. Ansarada is a truly global business generating a significant portion of its revenue outside of Australia. Ansarada currently has over 3,000 active customers[1] across a diverse range of industries and over 460,000 unique users[2] across 153 countries. As at 31 December 2020, the Group currently employs over 130 people across its offices located in Sydney, Chicago, London, Amsterdam, Johannesburg, and Vietnam.

Our portfolio of SaaS governance solutions



Ansarada's efficient and straightforward end-to-end SaaS offering allows customers to showcase key attributes of their business and manage the corporate development pipeline, as well as creating additional capacity by accelerating the transaction preparation process, streamlining execution, connecting with clients and nurturing prospects earlier.

Customers use Ansarada's advanced virtual data rooms to connect, share information, collaborate, communicate and facilitate the due diligence process whilst monitoring activity. The platform significantly assists customers to minimise risks and deliver value more efficiently due to its ability to generate insights, accelerate successful outcomes and provide an accurate, real-time view of a transaction status across the lifecycle of each company.

Key characteristics of Ansarada's products include:

- *Simplicity: Intuitive, fast, mobile compatible and user-friendly*
- *Security: Access and document usage control, full visibility*
- *Automation: AI tools automate processes, deliver insights and intelligence*
- *Confidence: Comprehensive range of reports, activity monitoring*
- *Flexibility: Unlimited data and flexible plans to suit requirement and budget*
- *Connection: Sync with leading cloud tools (e.g. Box, Google Drive, Dropbox, One Drive)*
- *Collaboration: Workflow management and communication tools, Q&A speed and visibility*

Ansarada delivers its offering without any software plug-ins or downloads, which provides a seamless experience for businesses and advisors.

Product development and improvement at Ansarada is a fundamental pillar in everything it does, which is driven by continuing to be agile, flexible, listening to customers and adopting an iterative approach.

[1] *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] *As at 31 December 2020, refers to unique data room user profiles (unique profiles excludes those deleted or disabled)*

Financial Highlights

$15.8m

Pro forma[1] revenue rapidly approaching pre-COVID levels

$12.3m

Platform Subscription Revenue[3] Revenue increased by 5.3% of Total Revenue

92%

Gross profit margin maintained above 90%

$21m

Cash position plus cash flow to fuel growth

$2.2m

Adjusted EBITDA[2]
14.4% adjusted EBITDA margin

$1.2m

Adjusted cash flow from operating activities

[1]Pro forma revenue includes 5 months of recognised revenue for FY21 and 6 months of recognised revenue for FY20 of Ansarada Group Limited (formerly thedocyard Limited). As the acquisition was completed on 4th December 2020, revenue from thedocyard is not included in the consolidated statement of profit and loss and other comprehensive income.
[2]Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation ('EBITDA'), excluding non-cash share-based expense, non-cash impairments, capital raising and business combination fees, and redundancies expenses.
[3]Subscription revenue comprises recurring annual and monthly fees from customers who subscribe to its cloud based SaaS platform.

Half year Operating and Financial Review

Whilst the Group has always delivered its products via a SaaS model, Ansarada has made significant investments to strategically transition its business to a subscription pricing model. The transition of the pricing model has impacted the revenue profile of the Ansarada over the short-term (as a result of the decline of large upfront usage fees). However, it will generate greater lifetime revenue per customer than an equivalent data-based contract. This is because the subscription model provides added flexibility to customers for upgrades and prolonged usage on the Group's core solutions, allowing it to better service multiple customer needs.

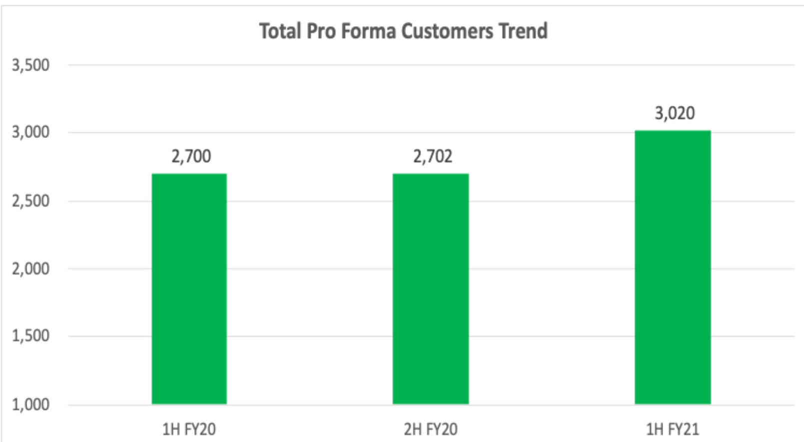
Ansarada launched its e-commerce channel in February 2020, allowing it to further scale a self-service offering and expand its digital customer acquisition capability to win larger volumes of business more efficiently than via a direct sales channel alone. The e-commerce channel now represents 5% of total subscriptions customers.

The Group's ongoing growth strategy will be focused on continuing the current growth trajectory, particularly in its offshore regions and converting the current pipeline into sales. The Group will also continue to enhance its product and service capabilities by ongoing development of its technology platform to provide a wider range of solutions for its users and customer. Key growth strategies include:

- Growing customer numbers;
- Growing usage by Customers into additional use cases;
- Entering strategic partnerships and white label distribution arrangements;
- Growing the international business; and
- Undertaking strategic acquisitions.

Customers

Under Ansarada's ongoing growth strategy, total pro forma[3] active customers increased to 3,020 by the end of the half year. In addition, pro forma subscription customer numbers reached 2,082 in the period, continuing the Group's transition to increased subscription contracts and longer-term contracts[4]. New customers using Ansarada's platform included a significant 3-year enterprise-wide contract with PwC UK and significant new tenders business wins. Annual subscription first year renewals remain above 30% (FY20 32%) and second year renewals are in excess of 40% in 1H21 (Subscription pricing began in October 2018). Therefore, second year renewals started from October 2020 only.



[3] *Pro forma comprises the historical combination of the merged companies*
[4] *Subscription customer numbers include thedocyard and E-commerce channels*

Revenue

Total recognised revenue for the half year ended 31 December 2020 was $15.3 million (December 2019: $16.9 million) and is rapidly approaching pre-COVID levels and supported by growth in customers and improving second year contract renewals. The decrease was largely due to the impact of COVID-19, which reduced the volume of transactions and the shift to a subscription pricing model. Subscription revenue for the period was $12.3 million and transactional revenue was $3.0 million.

Ansarada continues to monitor the global economic impact of COVID-19 across the geographical segments and its customer base. However, the Group has seen an increase in volume of business transactions in the half year. This reflects strong recovery in the Debt, Capital and Mergers and Acquisitions markets and continued customer expansion across products and geographies.

Deferred revenue has grown to $10.8 million, an increase of 36% compared to 30 June 2020. This is the result of the transition to a subscription-based business model (from primarily transaction-based), which will drive revenue growth and profitability, as well as increase the amount of recurring revenue and customer retention.

The shift to subscriptions is also reflected in a 28% decrease in transactional revenue compared to 31 December 2019. The 3% decrease in subscription revenue compared to 31 December 2019 is attributable to the impact of lower global M&A deals volumes by COVID-19.

Subscription revenue comprises recurring annual and monthly fees from customers who subscribe to its cloud-based SaaS platform. These fees can either be invoiced upfront, over the subscription period or on a monthly basis, accounting for deferred revenues.

Transactional revenue fees represents the amount billed to the customers based on the specific level of virtual data room usage (e.g. amount of data uploaded or pages occupied). Consideration from usage fees is recognised as revenue on a straight-line basis in the Statement of Profit or Loss and other comprehensive income over the estimated life of a deal room.

Half year ended	31 December 2020	31 December 2019	% Change
	$'000	$'000	
Platform Subscription revenue	12,270	12,630	-3%
Transactional revenue	3,034	4,243	-28%
Other income	138	173	-20%
Total revenue and other income	**15,442**	**17,046**	**-9%**
Pro forma subscription revenue[5]	358	307	17%
Total pro forma revenue and other income	**15,800**	**17,353**	**-9%**
Platform Subscription revenue as a % of total pro forma revenue	80%	75%	5%
Transaction & other revenue as a % of total pro forma revenue	20%	25%	-5%

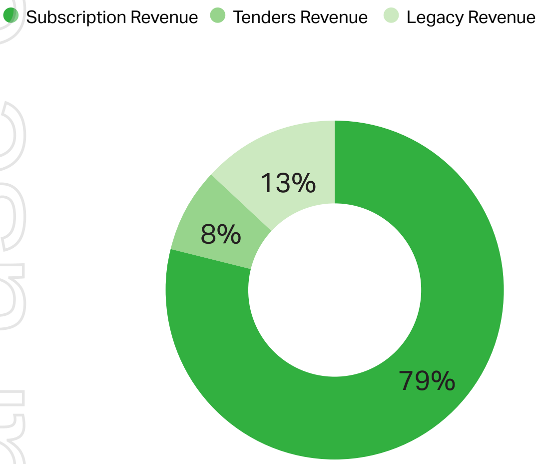
As at:	31 December 2020	30 June 2020	% Change
	$'000	$'000	
Deferred revenue[6]	10,805	7,966	36%

[5] *Pro forma subscription revenue includes 5 months of recognised revenue for FY21 and 6 months of recognised revenue for FY20 of Ansarada Group Limited (formerly thedocyard Limited). As the acquisition was completed on 4th December 2020, revenue from thedocyard is not included in the consolidated statement of profit and loss and other comprehensive income.*

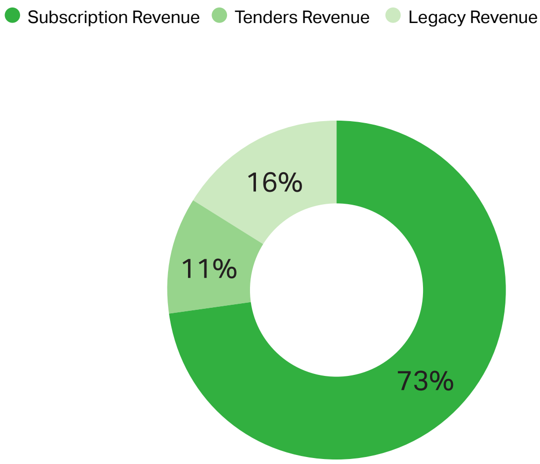
[6] *Deferred revenue consists of Platform Subscription, Transactional Usage and Base fees which are expected to be recognised on a straight-line basis over the remaining life of the contract or estimated life of the data room which is expected to occur within 12 months.*

Revenue by category

1H FY21

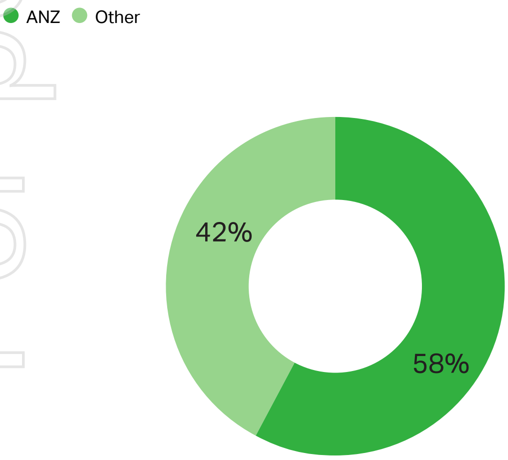


1H FY20

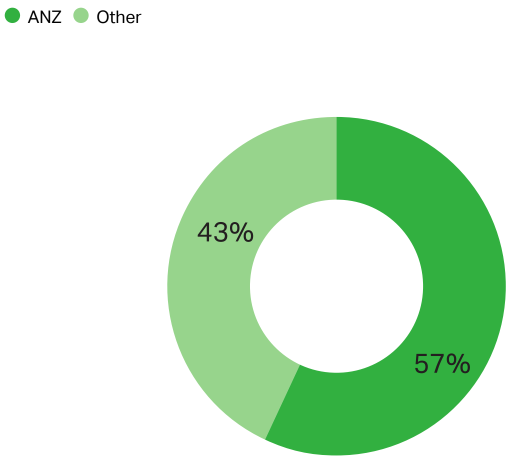


Revenue by geography

1H FY21



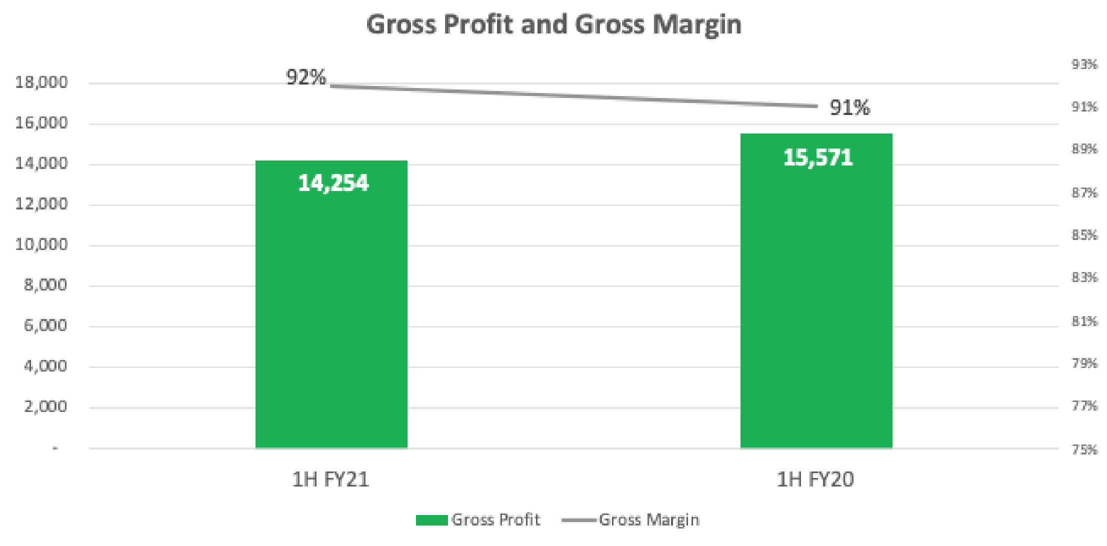
1H FY20



Gross Profit

Ansarada reports gross profit of $14.3 million for the half year, compared to $15.6 million for the half year to 31 December 2019. Gross profit 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.

Half year ended	31 December 2020	31 December 2019	% Change
	$'000	$'000	
Revenue and other income	15,442	17,046	-9%
Cost of revenue	(1,188)	(1,475)	-19%
Gross profit	14,254	15,571	-8%
Gross profit margin %	92%	91%	1%



Ansarada has historically maintained strong gross profit margins above 90%. Gross margin has increased by 1% to reach 92% for period ended 31 December 2020. The primary reason for the change in the cost of revenue was due to a decrease in sales commissions as a result of lower revenue.

Financial overview

Earnings before interest, tax, depreciation, and amortisation (EBITDA)

EBITDA improved by $0.4 million to $0.2 million, up 221% compared to 1H FY20, resulting in EBITDA as a percentage of revenue increasing from -1% in 1H FY20 to 1% in 1H FY21.

The improvement in 1H FY21 EBITDA was primarily driven by operational efficiencies delivered across the cost of revenue, product design and development and general and administration functions, as total operating expenses as a proportion of operating revenue decreased to 90.9%, compared to 92.4% in FY20.

EBITDA is a key earnings measure considered by management in operating the business. This measure has been provided as we believe they provide useful information for readers in understanding Ansarada's financial performance.

Half year ended	31 December 2020	31 December 2019	% Change
Profit/(Loss) for the year	3,402	(9,257)	137%
Add back: Income tax expense	166	185	-10%
Statutory Profit/(loss) before income tax expense	**3,568**	**(9,072)**	**139%**
Add back: net finance expense	397	256	55%
Add back: Fair value Convertible Note	(9,073)	3,700	-345%
Add back: business combination costs	485	-	100%
Add back: depreciation and amortisation expense	4,519	3,905	16%
Add back: non-cash impairment intangible assets	-	741	-100%
Add back: depreciation right of use asset	323	289	12%
EBITDA	**219**	**(181)**	**221%**
EBITDA margin	**1%**	**-1%**	**2%**

Adjusted EBITDA

Adjusted EBITDA represents earnings before interest, tax, depreciation and amortisation ('EBITDA'), excluding non-cash share-based expense, non-cash impairments, capital raising and business combination fees, and redundancies expenses. Underlying information, including this reconciliation to net profit after income tax expense, has been provided in order to meet the demands from the users of the financial reports for information to better understand aspects of the Company's performance.

EBITDA excluding non-cash share-based payments and restructure payments for 1H FY21 was $2.2 million, an improvement of $1.7 million or 328% compared to 1H FY20. The main driver for the increase was the cancellation of Ansarada's legacy employee share option plan which resulted in the acceleration of vesting and recognition of a non-cash impact to the consolidated statement of income and other comprehensive income. This resulted in adjusted EBITDA, improving as a percentage of operating revenue by 11.3%.

Adjusted EBITDA (continued)

A reconciliation of adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) to statutory profit after tax for the year is as follows:

Half year ended	31 December 2020	31 December 2019	% Change
Profit/(Loss) for the year	3,402	(9,257)	137%
Add back: Income tax expense	166	185	-10%
Statutory Profit/(loss) before income tax expense	**3,568**	**(9,072)**	**139%**
Add back: net finance expense	397	256	55%
Add back: Fair value Convertible Note	(9,073)	3,700	-345%
Add back: business combination costs	485	-	100%
Add back: depreciation and amortisation expense	4,519	3,905	16%
Add back: depreciation right of use asset	323	289	12%
Add back: non-cash share-based expense	1,427	-	100%
Add back: non-cash impairment intangible assets	-	741	-100%
Add back: Establishment Fee – Convertible note	-	701	-100%
Add back: restructure payments[7]	580	-	100%
Adjusted EBITDA	**2,226**	**520**	**328%**
Adjusted EBITDA margin	**14.4%**	**3.1%**	**11.3%**

Cash flow

Operating cash flows, excluding business combination costs and restructure costs for period ended 1H FY21 increased by $1.5 million to $1.2 million, equating to 7% of total revenue, compared to negative $0.4 million or -2% of total revenue in 1H FY20.

Receipts from customers decreased by 8% or $1.6 million to $18.9 million, which is aligned with revenue decrease of 9%. Cash flows from other operating cash flows decreased by 9% (primarily due to payments to suppliers and employees) and also excluded is one off material costs such as business combination costs of $0.7 million and restructure costs of $0.6 million.

Cash outflows from investing activities decreased by 36% or $1.6 million. The decrease was largely driven by lower capitalised spend on product design and development, which decreased by $1.5 million or 35% compared to FY20. In previous years, Ansarada made significant investments to transition the product to a SaaS based platform model under subscription pricing. As the development of the platform is largely complete, product design and development investment decreased driven by a reduction in employee headcount.

[7] *Restructure costs relate to staff redundancy and termination associated with restructuring activities in September 2020.*

Cash flow (continued)

Free cash flow is a financial measure that has been included to show readers net cash generated by and invested into, the business. We define free cash flow as cash flows generated from operating activities less cash flows used for acquisitions of, and investments into, businesses and strategic assets.

Half year ended	**31 December 2020**	**31 December 2019**	**% Change**
	$'000	**$'000**	
Receipts from customers	18,875	20,514	-8%
Other operating cash flows	(19,044)	(20,897)	-9%
Add back: business combination costs	739	-	100%
Add back: restructure costs	580	-	100%
Total adjusted cash flow from operating activities	**1,150**	**(382)**	**401%**
Investing activities	(784)	(4,348)	-82%
Add back: cash acquired on acquisition of business	(1,988)	-	100%
Free cash flows after investing activities	**(1,622)**	**(4,730)**	**66%**

4. Dividends

No dividends have been paid or declared for the financial period ended 31 December 2020 (2019: $Nil).

5. Events subsequent to reporting date

There were no items, transactions or events of a material or unusual nature, that, in the opinion of the Board, are likely to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group that have arisen in the period from 31 December 2020 to the date of this report.

6. Auditor

HLB Mann Judd resigned as auditors of the Company and KPMG were appointed to act as auditors in accordance with section 327 of the Corporations Act 2001.

7. Lead auditor's independence declaration

The Lead auditor's independence declaration as required under section 307c of the Corporation Act 2001, is set out on page 44 and forms part of the directors' report for the six months ended 31 December 2020.

8. Rounding off

All amounts in the financial statements have been rounded off in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 to the nearest one thousand dollars unless otherwise stated.

Signed in accordance with a resolution of the directors:

Dated at Thursday Sydney 25th day of February 2021.

David Pullini

Samuel Riley, Director

David Pullini, Director

Consolidated statement of profit or loss and other comprehensive income

for the half year ended 31 December 2020

	Notes	31 December 2020 $'000	31 December 2019 $'000
Revenue	7	15,304	16,873
Other income	7	138	173
Total revenue and other income		**15,442**	**17,046**
Cost of revenue		(1,188)	(1,475)
Gross profit		**14,254**	**15,571**
Product design and development	9	(9,650)	(9,198)
Sales and Marketing	9	(5,009)	(6,331)
General and Administration	9	(4,218)	(5,158)
Total operating expenses		**(18,877)**	**(20,687)**
Operating Profit /(loss)		**(4,623)**	**(5,116)**
Finance income		4	14
Finance expense	11	(885)	(270)
Fair value adjustment- Convertible Notes & Warrants	11	9,072	(3,700)
Net finance Income/(expense)		**8,191**	**(3,956)**
Profit/ (Loss) before income tax		**3,568**	**(9,072)**
Income tax benefit/(expense)		(166)	(185)
Profit/ (Loss) for the year		**3,402**	**(9,257)**
Other comprehensive income			
Items that may subsequently be re-classified to Profit or Loss, net of tax			
Foreign currency translation differences for foreign operations		(112)	47
Total comprehensive (loss)/profit for the year		**3,290**	**(9,210)**
Earnings per share (EPS) attributable to owners of Ansarada Group Limited		**Cents**	**Cents**
Basic earnings per share (cents)	12	10.34	(41.23)
Diluted earnings per share (cents)	12	10.34	(41.23)

As set out in note 24 to the Interim Financial Report as a result of the acquisition of Ansarada Group Limited (formerly thedocyard Limited ('TDY Group')) and its controlled entities by Ansarada NewCo Pty Limited and its controlled entities ('Ansarada NewCo'), the comparative information for 31 December 2019 represents the results of Ansarada NewCo Pty Limited only. The consolidated statement of comprehensive income for the period ended 31 December 2020 represents the results of Ansarada NewCo for the period from 1 July 2020 to 3 December 2020 and the consolidated results for and Ansarada NewCo and TDY Group for the period post-acquisition from 4 December 2020 to 31 December 2020.

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2020

	Notes	31 December 2020 $'000	30 June 2020 $'000
ASSETS			
Current assets			
Cash and cash equivalents		21,021	9,069
Trade and other receivables	14	3,792	2,795
Other current assets		1,943	1,341
Total current assets		**26,756**	**13,205**
Non-current assets			
Intangible assets	15	43,322	23,422
Property, plant and equipment		1,148	1,536
Right of Use Asset	16	6,850	2,980
Deferred tax asset	13	5,377	5,377
Total noncurrent assets		**56,697**	**33,315**
Total assets		**83,453**	**46,520**
LIABILITIES			
Current liabilities			
Trade and other payables		(5,059)	(6,209)
Lease Liabilities	21	(1,676)	(1,030)
Employee benefits		(1,440)	(1,526)
Convertible note payable	18	-	(63,866)
Warrants	18	-	(1,700)
Current Tax liability		(211)	-
Deferred revenue	7	(10,805)	(7,966)
Total current liabilities		**(19,191)**	**(82,297)**
Non-current liabilities			
Lease Liabilities	21	(5,915)	(2,332)
Employee benefits		(121)	(138)
Provisions		(286)	(293)
Total non-current liabilities		**(6,322)**	**(2,763)**
Total liabilities		**(25,513)**	**(85,060)**
Net assets/(liabilities)		**57,940**	**(38,540)**
EQUITY			
Share capital	17	94,550	2,673
Retained earnings/(loss)		(36,750)	(42,101)
Reserves		140	888
Total equity		**57,940**	**(38,540)**

As set out in note 24 to the Interim Financial Report, as a result of the acquisition of Ansarada Group Limited (formerly thedocyard Limited ('TDY Group') and its controlled entities by Ansarada NewCo Pty Limited and its controlled entities ('Ansarada NewCo'), the statement of financial position as at 30 June 2020 reflects the balances of Ansarada NewCo only, while the statement of financial position as at 31 December 2020 reflects the balances of the post-acquisition consolidated Group including TDY Group and Ansarada NewCo.

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes of equity

	Ordinary shares $'000	Preference A shares $'000	Share-based payment reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 July 2020	**39**	**2,634**	**852**	**36**	**(42,101)**	**(38,540)**
Profit/(loss) for the period	-	-	-	-	3,402	3,402
Other comprehensive (loss)/income						
Foreign currency translation differences for foreign operations net of tax	-	-	-	(112)	-	(112)
Total comprehensive loss for the period	-	**-**	-	**(112)**	**3,402**	**3,290**
Transactions with owners recorded directly in equity						
Issue of ordinary shares, net of transaction costs	37,675	-	-	-	-	37,675
Equity allocated on acquisition	22,708	-	-	-	-	22,708
Conversion of Convertible Notes and Warrants to Ordinary Shares	31,494	-	-	-	-	31,494
Conversion of Pref A Shares to Ordinary Shares	2,634	(2,634)	-	-		-
Cancellation of legacy share option plan	-	-	(2,236)	-	2,236	-
Cash consideration cancelled share plan	-	-		-	(287)	(287)
Share-based payment expense	-	-	1,600			1,600
Balance at 31 December 2020	**94,550**	**-**	**216**	**(76)**	**(36,750)**	**57,940**

	Ordinary shares $'000	Preference A shares $'000	Share-based payment reserve $'000	Foreign currency translation reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 July 2019	**0.2**	**2,234**	**283**	**35**	**(16,076)**	**(13,524)**
Profit/(loss) for the period	-	-	-	-	(9,257)	**(9,257)**
Other comprehensive (loss)/income						
Foreign currency translation differences for foreign operations net of tax	-	-	-	47	-	47
Total comprehensive loss for the period	-	-	-	**47**	**(9,257)**	**(9,210)**
Share -based payment expense	-	-	118	-	-	118
Issue of Preference A shares	-	400	-	-	-	400
Balance at 31 December 2019	**0.2**	**2,634**	**401**	**82**	**(25,333)**	**(22,216)**

As set out in note 24 to the Financial Statements, as a result of the acquisition of Ansarada Group Limited (formerly thedocyard Limited ('TDY Group') and its controlled entities by Ansarada NewCo Pty Limited and its controlled entities ('Ansarada NewCo'), the comparative information for 30 June 2020 represents results of Ansarada NewCo only. The statement of changes in equity for the period ended 31 December 2020 represents the results of Ansarada NewCo only for the period 1 July 2020 to 3 December 2020 and the consolidated results for Ansarada NewCo and TDY Group post-acquisition for the period from 4 December 2020 to 31 December 2020.

The above consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the half year ended 31 December 2020

	Notes	31 December 2020 $'000	31 December 2019 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		18,875	20,514
Payments to suppliers and employees (inclusive of GST)		(18,876)	(20,793)
Proceeds from Government grant	10	855	-
Interest received		3	14
Interest paid		-	(117)
Employee options plan		(287)	
Business combination costs		(739)	-
Income tax paid		-	-
Net cash (outflow) from operating activities		**(169)**	**(382)**
Cash flows from investing activities			
Payments for property, plant and equipment		(3)	(48)
Cash acquired on acquisition of business		1,988	-
Proceeds from sale of property, plant and equipment		2	-
Capitalised development costs		(2,771)	(4,300)
Net cash (outflow) from investing activities		**(784)**	**(4,348)**
Cash flows from financing activities			
Proceeds from issuance of convertible notes		-	8,000
Repayments of lease liabilities		(191)	-
Proceeds from issue of share capital, net of transaction costs	17	38,125	400
Repayment of interest-bearing liabilities and borrowings	18	(25,000)	(1,506)
Net cash inflow from financing activities		**12,934**	**6,894**
Net increase in cash and cash equivalents		**11,981**	**2,164**
Cash and cash equivalents at the beginning of the financial period		9,069	2,570
Effect of exchange differences on cash balances		(29)	71
Cash and cash equivalents at end of year		**21,021**	**4,805**

As set out in note 24 to the Interim Financial Report, as a result of the acquisition of Ansarada Group Limited (formerly thedocyard Limited ('TDY Group') and its controlled entities by Ansarada NewCo Pty Limited and its controlled entities ('Ansarada NewCo'), the comparative information for 1 July 2019 to 31 December 2019 represents results of Ansarada NewCo only. The statement of cash flow for the period ended 31 December 2020 represents the results of Ansarada NewCo only for the period 1 July 2020 to 3 December 2020 and the consolidated results for Ansarada NewCo and TDY Group for the period from 4 December 2020 to 31 December 2020.

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Condensed notes to the consolidated Interim Financial Report

1. Reporting entity

Ansarada Group Limited (formerly thedocyard Limited) (the "Company") is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the ASX.

The Company's registered office is Level 2, 80 George Street, The Rocks NSW 2000. The Consolidated Interim Financial Report comprise the Company and its controlled entities (collectively the "Group" or "Ansarada" and individually "Group companies").

The Group is a for-profit entity, and its primary business is the provision of a business to business ('B2B') software as a service ('SaaS') platform for business readiness and deal execution.

All amounts in the Consolidated Interim Financial Report have been rounded off in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 to the nearest one thousand dollars unless otherwise stated.

2. Basis of accounting

The unaudited Consolidated Interim Financial Report for the half year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). They were authorised for issue by the Board of Directors on 25 February 2021.

This Consolidated Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 June 2020 and any public announcements made by Ansarada Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Consolidated Interim Financial Report have been prepared on the historical cost basis except the following items which are measured on an alternative basis at each reporting date.

Items	Measurement Basis
Share -based payments	Fair value at grant date
Convertible notes	Fair value

3. Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As at 31 December 2020, the Group's net asset position was $57.9 million (30 June 2020: $38.5 million net liability position). The increase in the Group's net asset position has improved due to the capital raising of $45 million, the repayment of $25 million in relation to Convertible note holders and remaining note holders converting to ordinary shares in the Company. Also, the recognition of $17.2 million of Goodwill as a result of the reverse acquisition of Ansarada Group Limited (formerly thedocyard Limited ('TDY Group').

The net asset position is also impacted by recognition of deferred revenue of $10.8 million (30 June 2020 $8.0 million) which is expected to be recognised as income in the next 12 months without the same cash outflows to the Group. The net position of the Group, excluding deferred revenue, is a positive net asset position of $68.7 million (net liability 30 June 2020 $30.6 million).

There is a surplus in current assets of $7.6 million at 31 December 2020 (30 June 2020 $69.1 million deficit).

4. Functional and presentation currency

Functional and presentation currency

Items included in the Consolidated Interim Financial Report of each Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Interim Financial Report is presented in Australian dollars, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated to Australian dollars at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in statement of profit or loss and other comprehensive income in the financial period in which the exchange rates change.

5. Principles of consolidation

Reverse Acquisition Accounting

On 4 December 2020, Ansarada Group Limited (formerly thedocyard Limited ('TDY Group') completed the acquisition of 100% of the share capital in Ansarada NewCo Pty Limited and its controlled subsidiaries ('Ansarada NewCo'). In accordance with accounting standards, this acquisition has been accounted for as a reverse acquisition business combination.

In applying the requirements of AASB 3 Business Combinations to the Group:

(i) Ansarada Group Limited (formerly thedocyard Limited) is the legal parent entity to the Group; and

(ii) Ansarada NewCo Pty Limited, which is neither the legal parent nor legal acquirer, is deemed to be the accounting acquirer.

The consolidated financial information incorporated the assets and liabilities of all entities deemed to be acquired by Ansarada NewCo including TDY Group and the results of these entities from 4 December 2020, being for the period from which those entities are accounted for as being acquired by Ansarada NewCo Pty Limited. The assets and liabilities of TDY Group acquired by Ansarada NewCo were recorded at fair value whilst the assets and liabilities of Ansarada NewCo were maintained at their book value. The impact of all transactions between entities in the Group were eliminated in full. The impact on equity of treating the formation of the Group as a reverse acquisition is discussed in more detail in note 24.

AASB 3 Business Combinations requires that consolidated financial statements prepared following a reverse acquisition shall be issued under the name of the legal parent (i.e., Ansarada Group Limited) but be a continuation of the financial statements of the legal subsidiary (i.e., Ansarada NewCo Pty Limited, the acquirer for accounting purposes). The implications of applying AASB 3 on each of the attached financial statements comparatives are as follows:

Statements of financial position

The consolidated statement of financial position as at 30 June 2020 represents Ansarada NewCo only. The consolidated statement of financial position for 31 December 2020 reflects the consolidated position of Ansarada NewCo and TDY Group.

Statement of profit and loss other comprehensive income

The consolidated statement of profit and other comprehensive income for the period 1 July 2019 to 31 December 2019 represent the results of Ansarada NewCo only. Those for 31 December 2020 reflect Ansarada NewCo only for the period from 1 July 2020 to 3 December 2020, and the consolidated results of Ansarada NewCo and TDY Group for the period from 4 December 2020 to 31 December 2020.

Statement of cash flows

The consolidated statement of cash flows represents cash flows of Ansarada NewCo only for the period 1 July 2019 to 31 December 2019. The 31 December 2020 consolidated statement of cash flows represents cash flows of Ansarada NewCo only for the period from 1 July 2020 to 3 December 2020 and the consolidated statement of cash flows for Ansarada NewCo and TDY Group for the period from 4 December 2020 to 31 December 2020.

(ii) Subsidiaries included in the financial report

Subsidiaries are those entities over which the Company has the power, directly or indirectly, to govern the financial and operating policies of the entity. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 24).

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control of the subsidiary commences until the date that control ceases.

Inter-entity transactions, balances and unrealised gains on transactions between Group entities are eliminated

6. Use of judgements and estimates

In preparing the Group Interim Financial Report, management is required to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. The resulting accounting estimates, which are based on management's best judgment at the date of the Group financial statements, will, by definition, seldom equal the related actual results. The significant judgements, estimates and assumptions made by management in the preparation of these financial statements are summarised below.

Coronavirus (COVID-19)

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, staffing and geographic regions in which the Company operates. The key accounts primarily impacted during the period are employee expenses, and trade and other receivables. In September 2020, the Company undertook significant and permanent cost reductions to focus on achieving profitability in the short to medium term and in response to the impacts of COVID-19.

Capitalised development cost

The Group capitalises costs (including employee costs) related to software development if a number of criteria are met. Management has made judgements and assumptions when assessing whether a project meets these criteria, and on measuring the costs and economic life attributed to such projects. The economic lives for intangible assets are estimated between three to five years for internal projects, which include internal use of software and internally generated software.

Deferred tax assets

The Group recognises a deferred tax asset in relation to carried forward Research and Development ("R&D") credits and carried forward income tax losses based on forecasts of future profits against which those assets may be utilised, and the ability to satisfy the requirements of ownership continuity or business continuity test.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair value of the assets transferred by the Group;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Judgement is required to identify an accounting acquirer. In applying the guidance in AASB 3 Business Combinations and given that the following two primary factors are present namely.

1. The former shareholders of the entity whose shares are acquired own the majority of shares, and control the majority of votes, in the combined entity; and
2. The management of the combined entity is drawn predominantly from the entity whose shares are acquired.

The Group, applying its judgement, has come to the conclusion that the transaction is a reverse acquisition.

Significant judgements were used to determine the fair value of the acquired net assets. Under AASB 3 Business Combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional accounts recognised and also recognises assets and liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date.

The measurement period ends on the earlier of:

(a) 12 months from the date of acquisition or
(b) when the acquirer receives all the information to determine fair value.

Refer to Note 24 for further information.

7. Revenue

Accounting policy

Revenue recognition

Significant accounting policy

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

The key revenue streams and the recognition principles applied by the Group are as follows:

Platform Subscription fees

Ansarada's key source of revenue following the transformation in October 2018 is Platform subscription fees, which is recurring annual and monthly fees generated from customers who subscribe to its cloud-based SaaS Platform. These fees can either be invoiced upfront, over the subscription period or on a monthly basis. Revenue is recognised in the accounting period in which the services are rendered. Unearned revenue at year end is recognised in the Statement of Financial Position as deferred revenue and included within other current liabilities.

Transactional usage fees

Transactional usage fees represents the amount billed to the customers based on the specific level of virtual data room usage (e.g. amount of data uploaded or pages occupied). Consideration from usage fees is recognised as revenue on a straight-line basis in the Statement of Profit or Loss and other comprehensive income over the estimated life of a deal room.

Other income

Other income consists of archive fee income and other miscellaneous items.

Revenue and other income	**31 December 2020**	**31 December 2019**
	$'000	**$'000**
Platform subscription fees	12,270	12,630
Transactional Usage fees	3,034	4,243
Total revenue	**15,304**	**16,873**
Other income	138	173
Total revenue and other income	**15,442**	**17,046**

Deferred revenue

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 or estimated life of the data room which is expected to occur within 12 months.

	31 December 2020	**30 June 2020**
	$'000	**$'000**
Total Deferred revenue	**10,805**	**7,966**

Contract balances

The following table provides information about receivables from contracts with customers.

	31 December 2020	**30 June 2020**
	$'000	**$'000**
Receivables which are included in Trade and other receivables	**3,543**	**2,258**

8. Segment information

The Group determines and presents Operating Segments based on the information that is internally provided to the Board, CEO and CFO who are the Group's chief operating decision makers ('CODM').

The Company operates in one business segment, providing provision of services across information governance, board management, risk and compliance including business readiness and online deal rooms for customers via a business to business ("B2B") software ("SaaS") based platform.

The business reviews financial performance based on geographic locations. The geographic split percentage is based on recognised revenue by sales region, further information on the recognition of revenue is included in Note 7.

Disaggregation of revenue

Revenue by geographic location	31 December 2020 $'000	31 December 2019 $'000
ANZ (Australia and New Zealand)	8,927	9,689
America	1,631	2,112
Asia	655	812
Europe	2,384	2,288
Middle East and Africa	675	784
United Kingdom	1,170	1,361
Total revenue by geographic location	**15,442**	**17,046**

9. Expenses

The Group has presented the expense categories within the Consolidated statement of profit or loss and other comprehensive income on a functional basis. The categories used are cost of revenues, product design and development, sales and marketing and general and administration. The methodology and the nature of costs within each category are further described below.

Cost of revenues

Cost of revenues consists of sales commissions, bonuses and third-party royalties.

Product design and development expenses

Product design and development expenses consist primarily of personnel and related costs (including salaries, benefits and bonuses) directly associated with the Group's product design and development employees, as well as allocated overheads. Under AASB 138, the proportion of product design and development expenses that create a benefit in future periods is capitalisable as an intangible asset and then amortised to profit or loss over the estimated life of the asset created. The amortisation of those costs capitalised is included as a product design and development expense.

Sales and marketing expenses

Sales and marketing expenses consist of personnel and related costs (including salaries and other benefits) directly associated with the sales and marketing team's activities to acquire new customers and grow revenue from existing customers. Other costs included are external advertising costs, marketing costs and promotional event costs as well as allocated overheads.

General and administration expenses

General and administration expenses consist of personnel and related costs (including salaries, benefits and bonuses) for the Company's executive, finance, legal, human resources and administrative employees. They also include legal, accounting and other professional services fees, insurance premiums, other corporate expenses and allocated expenses.

Overhead allocation

The presentation of the Consolidated statement of profit or loss and other comprehensive income by function requires certain overhead costs to be allocated to functions. These allocations require management to apply judgment. The costs associated with Ansarada's facilities, internal information technology and non-product related depreciation and amortisation are allocated to each function based on respective headcount.

Expenses by nature

	31 December 2020 $'000	31 December 2019 $'000
Employee benefits	9,851	9,936
Included in functional expenses as follows:		
Sales and marketing expenses	3,317	3,216
Product design and development expenses	3,345	3,288
General and administration expenses	3,189	3,432
Total	**9,851**	**9,936**
Depreciation and amortisation	4,519	4,646
Included in functional expenses as follows:		
Sales and marketing expenses	77	131
Product design and development expenses	4,400	4,444
General and administration expenses	42	71
Total	**4,519**	**4,646**

10. Government Grants

The Group received Government Grants in the form of Jobkeeper, which is a scheme introduced by the Australian Government to support businesses significantly affected by COVID-19. Jobkeeper payments are considered 'government grants' and accounted for under *AASB 120 Accounting for Government Grants and Disclosure of Government Assistance* because they are provided by the Government in return for compliance with conditions relating to the operating activities of the Group. The Group has complied with the conditions attached to them and paid all eligible employees under the scheme. The Group recognised the receipt of government grant income on a "net" basis against salary and wages. The total amount of Jobkeeper received from the Australian Government was $855,000 during the half year (31 December 2019: nil) and recognised in statement of cash flow under operating activities. The Group exited the Jobkeeper scheme as at 30 September 2020 and no longer receives any Government Grant.

	31 December 2020 $'000	31 December 2019 $'000
Government grant income – recognised in expenses	855	-

11. Finance expense

	31 December 2020 $'000	31 December 2019 $'000
Finance expense		
Interest expense - bank	(89)	(117)
Interest expense – lease liability	(118)	(64)
Net foreign exchange gain / (loss)	(193)	(89)
Transaction costs – acquisition	(485)	-
Total Finance expense	**(885)**	**(270)**
Fair Value Adjustment		
Convertible Note (Note 18)	8,520	(3,700)
Warrants (Note 18)	552	**-**
Fair value adjustment	**9,072**	**(3,700)**

12. Earnings per share (EPS)

The calculation of basic EPS for the half year ended 31 December 2020 was based on the profit attributable to ordinary shareholders of $3.4 million (December 2019: $9.3 million loss) and a weighted average number of ordinary shares outstanding of 30,732,719 (December 2019: 7,360,871).

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares.

Basic EPS is calculated by dividing the net profit/(loss) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares on issue during the year, excluding shares held as treasury shares.

Diluted EPS is determined by adjusting the net profit/(loss) attributable to ordinary shareholders and the weighted average of ordinary shares on issue for the effects of all potential dilution of ordinary shares. Instruments are only treated as dilutive when their conversion to ordinary shares would decrease EPS or increase the loss per share.

	31 December 2020 Cents	31 December 2019 Cents
(a) Basic earnings per share		
Total earnings per share from continuing operations attributable to ordinary equity holders of the Company	10.34	(41.23)
(b) Diluted earnings per share		
Total diluted earnings per share from continuing operations attributable to ordinary equity holders of the Company	10.34	(41.23)

(c) Reconciliation of earnings used in calculating earnings per share	**31 December 2020 $'000**	**31 December 2019 $'000**
Net profit/(loss) for the year from continuing operations attributable to the ordinary equity holders of the Company	3,402	(9,257)
Basic and diluted earnings	3,402	(9,257)
(d) Weighted average number of shares used as the denominator		
Weighted average number of shares used as the denominator in calculating basic earnings per share	32,895,151	22,452,686

In accordance with guidance provided in AASB 3 Business Combinations, the weighted average number of shares outstanding has been calculated as follows:

- for the period from 1 July 2020 to 3 December 2020, the weighted average number of ordinary shares, preference shares and warrants issued by Ansarada NewCo, adjusted using a conversion factor which was determined by using the number of shares issued to Ansarada NewCo as part of the acquisition. For the period 4 December 2020 to 31 December 2020, the weighted average number of ordinary shares issued by the consolidated group of Ansarada NewCo and TDY Group, being 88,708,325 ordinary shares.
- For the half-year ended 31 December 2019, the weighted average number of ordinary shares, preference shares and warrants issued by Ansarada NewCo, adjusted using a conversion factor which was determined by using the number of shares issued to Ansarada NewCo as part of the acquisition.

13. Current and Deferred Income Tax

During the period under review Ansarada NewCo Pty Ltd, the accounting parent, joined the Ansarada Group Limited's tax consolidated group. The Purchase Price Allocation for the assets and liabilities of Ansarada NewCo Pty Ltd, have as yet not been determined and therefore no tax effect accounting is recorded for the reverse acquisition.

As an income tax consolidated group, Ansarada Group Limited ('Group') and its wholly owned Australian tax resident subsidiaries are treated as a single entity for income tax purposes. As a result, the Group is responsible for lodging a single Australian consolidated income tax return, maintaining a single franking account and paying income tax instalments on behalf of the Group. Further, as the tax consolidated group is viewed as a single entity, intra-group transactions and membership interests of subsidiary members are generally ignored for Australian income tax purposes.

The income tax expense (benefit) for the period is the tax payable on the current period's taxable income (or loss) based on the income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The Company recognised a net deferred tax asset of $5.4 million, after assessing passing the Continuity of Ownership and the Similar Business test as at the reporting date and assessing the probability that it will be able to offset this tax asset against future taxable profits.

Unrecognised temporary differences

The Company has not recognised a deferred tax asset on estimated tax losses of approximately $11.4 million in relation to previous financial years. The current tax losses can be deducted from taxable income in future periods if the Company continues to pass the Continuity of Ownership and the Similar Business test. Furthermore, the Company elected to defer the recognition of its FY 20 non-refundable research and development expenditure of $791,863, which is equivalent to $304,867 of a R&D Tax offset against taxable income. The Company has concluded due to the tax asset already recognised on the Statement of financial position which will be utilised against future assessed future profits, it is not appropriate to increase its recognised deferred tax asset (DTA) temporary differences until these losses have been recognised against future taxable profits. An amount of $5.8 million deferred tax asset relating to temporary timing differences were unrecognised at 31 December 2020. At the end of each reporting period, the Company reviews its tax assets to determine the probability that it will be able to offset this tax asset against future taxable profits. If any such indication exists, that the tax asset recognised is not recoverable, the Company will not recognise additional tax losses and write down the current tax asset if necessary.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences, and it is probable that the differences will not reverse in the foreseeable future.

14. Trade and other receivables

Trade receivables

Trade and other receivables are stated at their amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement after 30 days.

Collectability of trade receivables is reviewed on a portfolio basis on an ongoing basis in accordance with AASB 9 Financial Instruments. The Group applies the expected credit loss model to trade receivables on a portfolio basis and have increased the probability of customers delaying payment or being unable to pay due to the Coronavirus (COVID-19) pandemic. Receivables that are known to be uncollectable are written off. An additional allowance for impairment is established when there is objective evidence that Ansarada will not be able to collect all amounts due in addition to the expected credit loss provision.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 180 days overdue) are considered indicators that the trade receivable is impaired. Cash flows relating to short-term receivables are not discounted.

	31 December 2020 $'000	**30 June 2020 $'000**
Trade receivables	3,815	2,395
Provision for impairment of receivables	(272)	(137)
Trade receivables (net of provision for impairment)	3,543	2,258
Supplier deposits and other receivables	249	537
Total trade and other receivables	**3,792**	**2,795**

15. Intangible assets

Cost recognition

Intangible assets purchased are stated at cost less accumulated amortisation and accumulated impairment losses.

Internally generated intangible assets

- research costs are expensed in the period in which they are incurred
- development costs are capitalised when the following have been demonstrated:
  - it is probable that the project will be a success considering its commercial and technical feasibility
  - the ability to use or sell the asset;
  - the intention to complete the development and use or sell it;
  - the availability of sufficient resources to complete the development and to use or sell the asset; and
  - the ability to measure reliably the costs attributable to the development

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Amortisation

Amortisation is recognised in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful life of the intangible asset, from the date it is available for use.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

With the exception of goodwill, the estimated useful life of each class of intangible asset is set out in the table below:

Class of intangible asset	Estimated useful life
Software – Platform	3 - 5 years
Mobile applications	1 - 4 years

Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of between three to five years.

Impairment considerations

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount is the greater of fair value less costs to sell or the asset's value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Goodwill and goodwill impairment testing

Goodwill represents the excess of purchase consideration over the fair value of net assets acquired in a business combination. Goodwill is allocated to cash-generating units (CGUs), which are the lowest level of assets for which separately identifiable cash flows can be attributed. The Company's goodwill at 31 December 2020 relates solely to the acquisition of Ansarada Group Limited. Ansarada Group Limited has reorganised its reporting structure such that there is only one effective operating company, and goodwill has been allocated to the Company's one CGU.

The recoverable amount of the Company CGU was calculated on the basis of value in use using a discounted cash flow model. Future cash flows were projected for 5 years for Ansarada Group Limited, with key assumptions being CGU earnings which is based on expected future performance indicators of the CGU.

The following key assumptions are:

Beta: 1

Pre-tax discount rate: 6.25%
Growth rate: 3%
Long-term perpetuity growth rate: 2.5%
Tax rate 27.5%

No impairment arose as a result of goodwill impairment testing for the period ended 31 December 2020.

6 months to 31 December 2020	Software Platform $'000	Mobile Applications $'000	Capital WIP $'000	Goodwill $'000	Total $'000
Cost					
Opening balance	46,899	1,044	5,256	-	53,199
Additions	2,540	-	232	-	2,772
Reclassification	1,913	-	(1,913)	-	-
Disposals	-	-	(2,969)	-	(2,969)
Acquired via Business combination[8]	4,151	-	-	17,223	21,374
Closing balance	55,503	1,044	606	17,223	74,376
Accumulated amortisation and impairment losses					
Opening balance	(26,175)	(634)	(2,969)	-	(29,778)
Amortisation	(4,132)	(113)	-	-	(4,245)
Impairment	-	-	-	-	-
Disposals	-	-	2,969	-	2,969
Closing balance	(30,307)	(747)	-	-	(31,054)
Carrying amounts					
At 30 June 2020	20,724	411	2,287	-	23,422
At 31 December 2020	**25,196**	**297**	**606**	**17,223**	**43,322**

16. Right-of-use assets

	31 December 2020 $'000	30 June 2020 $'000
Right-of-use assets (buildings)	6,850	2,980

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	31 December 2020 $'000
Opening balance at 1 July 2020	2,980
Additions	4,524
Depreciation expense	(504)
Foreign exchange adjustment	(150)
Closing balance	**6,850**

In September 2020, the Company agreed to a 5-year extension of its current lease at Level 2, 80 George Street, The Rocks, NSW 2000 to terminate on 30 November 2027. As part of the agreement, a deed of surrender was agreed for a new lease at 70 George Street, The Rocks, NSW 2000, which commenced in September 2020. The total surrender payment is $1.5 million, which is payable over 7 years payable on and from 1 June 2021. The surrender payment has been included in the variation lease agreement for Level 2, 80 George Street, The Rocks, NSW 2000, which is Ansarada's current head office space.

[8] *The addition of software platform relates to the fair value of the acquired intangibles on the acquisition of the Ansarada Group Limited. The additions to goodwill are also attributable to the acquisition of Ansarada Group Limited.*

17. Capital and reserves

	Number of Shares	$'000
As at 31 June 2020		
Fully paid ordinary shares of Ansarada NewCo Pty Limited	7,360,871	39
Issue of ordinary shares in Ansarada NewCo Pty Limited	74,311	-
Issue of ordinary shares on conversion of preference shares	661,861	2,634
Issue of ordinary shares on conversion of convertible notes	7,624,575	30,346
Issue of ordinary shares on exercise of warrants	287,756	1,148
Balance before reverse acquisition	**16,009,374**	**34,167**
Elimination of existing legal acquiree shares		
Elimination of existing ordinary shares	(16,009,374)	
Shares of legal acquirer transferred in on reverse acquisition	15,243,124	22,708
Issue of ordinary shares on acquisition in Ansarada Group Limited	43,052,229	
Balance after reverse acquisition in Ansarada Group Limited	**58,295,353**	**56,875**
Issue of ordinary shares, net of transaction costs	30,405,471	37,675
Exercise of Share Options	7,500	-
At 31 December 2020	**88,708,324**	**94,550**

On the 4 December 2020, Ansarada Group Limited (formerly thedocyard Limited (ASX: TDY) completed the acquisition of 100% of the share capital in Ansarada NewCo Pty Limited and its controlled subsidiaries (Ansarada NewCo). The consideration payable by the Company for 100% of the ordinary shares in Ansarada NewCo comprised ordinary shares in the Company. The Company acquired the share capital of Ansarada NewCo Pty Ltd in exchange for 43,052,229 shares and issued 30,405,471 new shares. As a result of the share issue, the Company incurred $7.3 million in relation to equity transactions costs.

Ansarada NewCo Pty Limited Convertible Noteholders which include warrants were either redeemed in cash or converted to ordinary shares of the Company. The total number of Ordinary Shares issued to Noteholders was approx. 7.9 million shares who elected to convert.

The New Shares and Consideration Shares issued pursuant will rank equally with existing fully paid ordinary Shares in the Company. The rights attaching to Shares are set out in the Company's constitution and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and general law.

(A) Voting rights

Each Shareholder entitled to vote may vote in person or by proxy, attorney or representative.

(B) Dividend rights

Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.

(C) General meetings

Subject to the Constitution, a Shareholder who is entitled to attend and cast a vote at a meeting of Shareholders, may attend and vote in person or by proxy, by attorney or, if the Shareholder is a body corporate, by Corporate Representative. The Board must give 28 days' notice of the meeting.

(D) Rights on winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company:

(1) divide among the Shareholders the whole or any part of the Company's property; and

(2) decide how the division is to be carried out between the Shareholders

Subject to any special rights (at present there are none), any surplus assets (following full satisfaction of all creditors' debts) on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them irrespective of the amounts paid or credited as paid.

(E) Future increase in capital

Subject to restrictions on the issue or grant of new Shares contained in the ASX Listing Rules, the Constitution and the Corporations Act, the Board may issue Shares, options to acquire Shares, and other securities with rights of conversion to Shares on any terms, to any person, at any time and for any consideration, as the Board resolves.

(i) No dividend was paid or declared during the period.

18. Convertible notes payable and warrants

	31 December 2020 $'000
Opening carrying amount of Convertible notes and warrants	65,566
Repayment of Convertible note holders	(25,000)
Conversion of Convertible notes to Ordinary Shares	(30,346)
Conversion of Warrants to Ordinary Shares	(1,148)
Fair value adjustment of Convertible note	(8,520)
Fair value adjustment of Warrants	(552)
Carrying amount of convertible notes liability and warrants	**-**

As part of the Merger/Acquisition Implementation Deed and Sale Deed, the Company raised $45 million from the issue of new shares. The Company repaid $25 million to Ansarada NewCo Pty Limited Convertible noteholders from the proceeds of funds. Convertible Noteholders who have elected to receive consideration shares for their existing warrants and principal sum invested have a conversion equity rollover converting to approximately $31.5 million. After the repayment and conversion of Convertible Noteholders, this resulted in a fair value adjustment of $8.5 million in relation to the conversion of the Convertible notes and $0.5 million for the conversion of warrants being released to the Consolidated Statement of Profit and Loss and other comprehensive income.

19. Financial instruments – Fair values and risk management

(a) Fair values

The following information notes the reliability of the inputs used in determining the fair value of financial assets and liabilities carried at fair value. The three levels in the hierarchy reflect the level of independent observable market data used in determining the fair values and are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical instruments.
- Level 2: other valuation methods for which all inputs that have a significant impact on fair value are observable, either directly (as prices) or indirectly (derived from prices).
- Level 3: one or more key inputs for the instrument are not based on observable market data (unobservable inputs).

All assets and liabilities carrying value is aligned to their fair value, with the exception of convertible notes.

Accounting classifications and fair values

The fair value of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

		31 December 2020 $'000		30 June 2020 $'000	
	Accounting classification	Carrying amount	Fair value	Carrying amount	Fair value
Trade and other receivables	Amortised cost	3,792	3,792	2,795	2,795
Cash and cash equivalents	Amortised cost	21,021	21,021	9,069	9,069
Trade and other payables	Amortised cost	(5,059)	(5,059)	(6,209)	(6,209)
Convertible note payable	FVTPL	-	-	(63,886)	(63,886)

20. List of subsidiaries

The consolidated financial Statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 5. The proportion of ownership interest is equal to the proportion of voting power held.

Name of entity	Notes	Country of incorporation	Class of shares	31 December 2020 %	30 June 2020 %
Ansarada Group Limited	1,2	Australia	Ordinary	N/A	-
Ansarada NewCo Pty Limited	1	Australia	Ordinary	100	100
Lockbox Technologies Pty Limited		Australia	Ordinary	100	-
Ansarada SubCo Pty Limited		Australia	Ordinary	100	100
Ansarada Pty Limited		Australia	Ordinary	100	100
Ansarada International Pty Limited		Australia	Ordinary	100	100
Ansarada UK Limited		Great Britain	Ordinary	100	100
Ansarada US Incorporated		United States	Ordinary	100	100
Ansarada Pte. Limited		Singapore	Ordinary	100	100
Ansarada Hong Kong Limited		Hong Kong	Ordinary	100	100
Ansarada (Pty) Limited		South Africa	Ordinary	100	100
Ondaro Pty Limited	3	Australia	Ordinary	-	100
Pesara Pty Limited	3	Australia	Ordinary	-	100
Ansarada Central and Eastern Europe	3	Australia	Ordinary	-	100
Ansarada Employee Company Pty Limited	3	Australia	Ordinary	-	100
Ansarada Holdings Pty Limited	3	Australia	Ordinary	-	100
Ansarada IP Pty Limited	3	Australia	Ordinary	-	100
Sambellan Pty Ltd	3	Australia	Ordinary	-	100
Quam Enterprises Pty Ltd	3	Australia	Ordinary	-	100
Ansla Pty Ltd	3	Australia	Ordinary	-	100

1. The legal parent entity and the ultimate parent entity of the Group is Ansarada Group Limited. However, under the applicable accounting standards, an acquisition by Ansarada NewCo Pty Limited is deemed to have occurred on the 4th December 2020. Consequently, for accounting purposes, Ansarada NewCo Pty Limited is the accounting parent entity of the Group. The comparatives for the year ended are those of Ansarada NewCo Pty Limited.

2. Ansarada Group Limited changed its name from thedocyard Limited on 4 December 2020.

3. On 22 July 2020, the following dormant entities have been deregistered with the Australian Securities & Investment Commission (ASIC) Ansarada Central and Eastern Europe, Ansarada Employee Company Pty Limited, Ansarada Holdings Pty Limited, Ansarada IP Pty Limited, Ansla Pty Limited, Ondaro Pty Limited, Pesara Pty Limited, Quam Enterprises Pty Limited and Sambellan Pty Limited.

21. Lease Liabilities

	31 December 2020 $'000
Balance as at 1 July 2020	3,362
Leases entered into during the period	-
Lease Extensions (Note 16)	4,524
Principal Repayments	(245)
Unwind of discount	118
Foreign exchange adjustment	(168)
Lease Liability recognised as at 31 December 2020	**7,591**

	31 December 2020 $'000
Current lease liability	1,676
Non-current lease liability	5,915
Total	**7,591**

Under AASB 16: *Leases* the Group is required to recognise lease contracts identified as containing a lease, except when the lease is for 12 months or less or the underlying asset is of low value.

Lease liabilities are initially measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate. Subsequently, the carrying value of the liability is adjusted to reflect interest and lease payments made. Lease liabilities may be re-measured when there is a change in future lease payments arising from a change in an index or market rate, or if there is a change in the Group's estimate of the amount expected to be payable.

22. Contingent assets and contingent liabilities

There were no contingent assets or liabilities that have been incurred by the Group in relation to 31 December 2020 (30 June 2020: nil).

23. Share based payments

Prior to the acquisition, each of Ansarada NewCo Pty Limited legacy employee share options plans were terminated. All Vested and Unvested Options were cancelled or lapsed on termination of the plans, and participants will no longer have any entitlement in relation to any Vested or Unvested Options. In accordance with AASB 2, the amount recognised when a share-based payment is cancelled is the amount that otherwise would have been recognised over the remainder of the vesting period if the cancellation had not occurred. This resulted in the Company recognising a share based payment expense of $1.4 million. Ansarada NewCo Pty Limited also made a share based payment of $0.3 million in relation to legacy employee options whose exercise price were less than the share price.

On 9 December 2020, the Group granted 8,758,281 Long Term Incentive (LTI) options under the employee share option plan (ESOP), at a weighted average fair value of $0.35, determined using the Black-Scholes valuation model. The options are subject to a three year vesting period and vest in three equal tranches annually from the grant date.

The significant inputs into the model were the estimated market share price at grant date, the exercise price of $2.15, the expected annualised volatility of between 45% and 55%, a dividend yield of 0%, and expected option life of three years and an annual risk-free interest rate of 1.03%.

	31 December 2020 $'000	31 December 2019 $'000
Legacy employee share option plan	1,558	118
LTI Options	42	-
Total share based payments expense	**1,600**	**118**

24. Business Acquisitions

Acquisition of Ansarada Group Limited and Ansarada NewCo Pty Limited

On the 4 December 2020, Ansarada Group Limited (formerly thedocyard Limited (ASX: TDY) completed the acquisition of 100% of the share capital in Ansarada NewCo Pty Limited and commenced trading on the ASX on the 9 December. On the 24 November 2020, the Company shareholders approved the Company to be renamed as Ansarada Group Limited.

Completion of the acquisition follows the satisfaction or waiver of conditions precedent and other completion requirements, including the completion of the Capital Raising as per the Prospectus dated 30 October 2020 and completion of a 10 to 1 share consolidation. Ansarada Group Limited raised $45.0 million through the issue of approximately 30.4 million shares.

Under accounting standards, the acquisition of Ansarada Group Limited and Ansarada NewCo is accounted for as business combination.

In accordance with AASB 3 Business combinations the acquirer is usually the entity issuing its equity interest but recognises that in some business combinations, so-called 'reverse acquisitions', the issuing entity is actually the acquiree.

A reverse acquisition occurs when the entity that issues the securities (the legal acquirer) is identified as the acquiree for accounting purposes based on guidance in the standard, where a private operating entity in place of registering its own shares will arrange for a public entity to acquire its equity interests in exchange for the equity interests of the public entity. Although the public entity is the legal acquirer because it issued its equity interests, and the private entity is the legal acquiree because its equity interests were acquired, application of the guidance results in identifying: *[AASB 3- B19]*

(A) The public entity as the acquiree for accounting purposes, and

(B) The private entity as the accounting acquirer

In accordance with accounting standards, this acquisition has been accounted for as a reverse acquisition business combination.

In applying the requirements of AASB 3 Business Combinations to the Group:

(i) Ansarada Group Limited (formerly thedocyard Limited) is the legal parent entity to the Group; and

(ii) Ansarada NewCo Pty Limited, which is neither the legal parent nor legal acquirer, is deemed to be the accounting acquirer.

The implications of applying AASB 3 on each of the attached financial Statements comparatives are described in Note 5.

Application of AASB 3 Business Combinations

Under accounting standards, the Group has 12 months from the date of the acquisition in which to complete its assessment of the fair value of assets and liabilities acquired. The acquisition accounting is provisional as at 31 December 2020, pending the finalisation of fair value of net assets acquired.

Details of the purchase consideration, the net assets acquired, and goodwill attributed to the acquisition are summarised in the table below:

(i) Summary of business combinations for the period ending 31 December 2020:

Entity	Shares	Price $	Consideration $000
No of shares Ansarada Group Limited	15,243,124	1.484	22,708

The provisional fair values of the identifiable assets and liabilities acquired by Ansarada are as follows:	Consolidated $'000
Cash and bank balances	1,988
Trade and other receivables	622
Software - Intangibles	4,151
Trade creditors and accruals	(1,090)
Provisions	(186)
Net identifiable assets acquired	**5,485**
Goodwill acquired	17,223
Net assets acquired	**22,708**

The identified intangibles software has been provisionally valued using the replacement cost methodology. No deferred tax has been recognised in connection with the intangible software in the goodwill calculation as the recognition criteria has not been met. The Group has not reset the tax cost of assets acquired in accordance with tax consolidation legislation. Tax consolidation legislation differs from the accounting recognition principals for a reverse acquisition as tax consolidation follows the legal acquirer principal.

25. Subsequent events

There were no items, transactions or events of a material or unusual nature, that, in the opinion of the Board, are likely to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group that have arisen in the period from 31 December 2020 to the date of this report.

Directors' declaration

1. In the opinion of the directors of Ansarada Group Pty Limited ('the Group'):

   (a) the consolidated financial statements and notes that are set out on pages 14 to 37 are in accordance with the Corporations Act 2001, including

      (i) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance, for the financial half year ended on that date; and

      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

   (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.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial half year ended 31 December 2020.

3. The directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at……Thursday……………………………25th………day of……February……………2021.

S Riley   David Pullini

Samuel Riley   David Pullini

Director   *Director*

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Ansarada Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Ansarada Group Limited for the half-year ended 31 December 2020 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Caoimhe Toouli

KPMG

Caoimhe Toouli

Partner

Sydney

25 February 2021

KPMG

Independent Auditor's Review Report

To the shareholders of Ansarada Group Limited

Conclusion

We have reviewed the accompanying ***Consolidated Interim Financial Report*** of Ansarada Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Consolidated Interim Financial Report of Ansarada Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2020 and of its performance for the ***half-year*** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Consolidated Interim Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2020
- 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
- Notes 1 to 25 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Ansarada Group Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

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 Group 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.

KPMG

Responsibilities of the Directors for the Consolidated Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Consolidated Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Consolidated Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Consolidated Interim Financial Report

Our responsibility is to express a conclusion on the Consolidated Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Consolidated Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Consolidated Interim 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.

KPMG	Caoimhe Toouli
KPMG	Caoimhe Toouli
	Partner
	Sydney
	25 February 2021