

28 February 2025

ASX Market Announcements
Australian Stock Exchange Limited
via ASX Online

FY25 HALF-YEAR REVIEW

The Directors present the Half-Year Financial Report of Ariadne Australia Ltd (“Ariadne” or “the Group”) for the period ended 31 December 2024.

Results for the period (millions)	31 Dec 2024	31 Dec 2023
Net profit / (loss) attributable to members	2.7	(0.3)
Other comprehensive income attributable to members	(5.1)	10.2
Total comprehensive income attributable to members	(2.4)	9.9
Total comprehensive income per share (cents)	(1.24)	5.05
Net operating cash inflow	4.3	1.2

	31 Dec 2024	30 June 2024
Net tangible assets per share (cents)	80.60	83.28

Investments

The Investment division recorded a net profit before tax of \$3.8 million (HY24: \$3.0 million).

The result is derived from interest on cash reserves, share of profits and losses from the Group’s investments in associates, and dividend and trading income from the trading portfolio.

The division’s share of joint ventures and associates results for the period was a net profit of \$1.7 million (HY24: \$0.8 million).

Dividends received during the period were \$0.6 million (HY24: \$1.1 million).

The trading portfolio was breakeven for the period (HY24: \$0.6 million profit) and a portion of the strategic portfolio, revalued through profit or loss, recorded a net gain of \$0.6 million (HY24: \$0.6 million loss) due to mark-to-market revaluations.

The balance of the strategic portfolio recorded a net loss of \$3.9 million (HY24: \$9.8 million gain) during the period due to mark-to-market revaluations mainly arising from the Group’s

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long-standing investments in Hillgrove Resources Limited and ClearView Wealth Limited, being \$3.3 million and \$3.8 million respectively.

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

Orams Group

For the half year period, the Group's investment in our associates, Orams Group Ltd ("OGL") and Orams Residential Ltd ("ORL"), where Ariadne holds an indirect equity interest of 61%, contributed a loss of \$1.9 million (HY24: \$0.6 million loss). While this represents an increase from the prior comparable period, the strategic partnership and debt reduction initiatives detailed below are expected to significantly improve financial performance moving forward.

On 28 August 2024, OGL and ORL entered into conditional agreements with Precinct Properties Holdings Limited, a wholly-owned subsidiary of the New Zealand Stock Exchange-listed Precinct Properties New Zealand Limited. The agreements involved selling a 24.9% interest in OGL's ground lease and buildings of Orams Marine Village and a 50% interest in ORL's adjoining residential site.

The transaction settled on 26 November 2024.

The strategic partnership has transformed OGL's balance sheet, reducing OGL's debt facility from NZ\$103 million to NZ\$17 million while unlocking A\$27.4 million in cash at the Group level. This includes A\$11.5 million from a restricted term deposit previously supporting OGL's banking facility and A\$15.9 million in cash returned to the Group from OGL.

In addition to its 75.1% holding in Westhaven Commercial Limited Partnership, OGL retains 100% ownership of Orams Marine Services Ltd ("OMS"), New Zealand's largest marine maintenance and refit services business. This highly profitable division continues its strong growth trajectory, with turnover increasing by 24% and EBITDA rising by 22% for the six months ended December 2024 compared to the prior period. The facility is currently at capacity and the forward order book remains robust, with bookings now being taken for 2026 and beyond.

The Precinct partnership has enabled the immediate commencement of construction of two four-storey mixed-use commercial buildings within Orams Marine Village – now fully funded – while accelerating preliminary design and consenting works for the adjoining residential site.

The timing of the Precinct transaction coincides favorably with New Zealand's interest rate environment, where rates have already decreased materially, providing additional tailwinds for future growth and the prospect for capitalisation rates to stabilise and potentially compress.

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Significant Investments

- **Coast Entertainment Holdings Ltd** (“Coast”). Coast again reported improved sales and attendances, with its Theme Park & Attractions business up 35.5% over the prior period. Coast has a solid debt-free balance sheet, with cash of \$59.9 million as at balance date and is well-positioned for further growth.
- **Hillgrove Resources Ltd** (“Hillgrove”). An investment which has promised much over the years but has consistently underperformed and been a significant drag on Ariadne’s financial results for some time. Hillgrove’s newly-appointed chief executive, Bob Fulker, brings substantial mining experience and it is to be hoped that this will lead to a marked improvement in operating results as the copper price rises in response to increasing global electrification demands and limited supply growth.
- **Clearview Wealth Ltd** (“ClearView”). Another very disappointing investment for Ariadne which has, for an extended period, traded at a substantial discount to intrinsic value. Anticipated corporate activity has failed to materialise to date and recent share price performance has been further negatively impacted by the surprise disclosure at the Annual General Meeting of adverse claims experience during the September quarter. We continue to patiently await improved sentiment towards the stock, which would help to address the clear value gap as well as the potential for further life insurance industry consolidation involving ClearView.
- **King River.** Ariadne’s investments in Cover Genius, FinClear, and Immutable all maintained their June 2024 valuations as they continue to perform in line with budget. The investment in Lark Technologies was written up by 90% following a recent fundraising at an increased valuation.

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Simplified Balance Sheet

Ariadne is in a sound financial position as shown in the following presentation of the Group's assets and liabilities as at 31 December 2024.

Assets	\$M	\$M	Liabilities	\$M
Cash		30.7	Trade Payables & Provisions	2.3
<u>Investments</u>			Other Payables	9.3
Orams	65.7		Debt	10.8
Freshxtend	12.8		Minority Interests	11.4
Hillgrove	11.3		Total Liabilities	33.8
Coast	11.1			
King River	11.0		Shareholders' Funds	159.4
FinClear	11.0			
Other Strategic Assets	8.8			
Cover Genius	8.0			
ClearView	7.0			
Foundation Life	6.5			
Trading Portfolio	5.1			
Lark Technologies	2.7			
<u>Total Investments</u>		161.0		
Fixed Assets and Other Receivables		1.5	Total Liabilities & Shareholders' Funds	193.2
Total Assets		193.2		

Tax

Ariadne has substantial carry forward revenue and capital losses available to offset future taxable profits. On 31 December 2024 these were estimated to be \$74.2 million (30 June 2024: \$72.7 million) and \$82.3 million (30 June 2024: \$83.9 million) respectively. As at balance date, Ariadne has a deferred tax asset of \$46.9 million which is not recognised in Ariadne's accounts.

Dividends

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

A fully-franked interim dividend of 0.5 cents per share (\$1.0 million in total) has been declared by the directors in relation to the first half of the 2025 financial year. The FY24 final dividend of 0.5 cents per share declared in August 2024 was paid on 26 September 2024.

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Authorised for release by: The Board of Ariadne Australia Limited

For further information please contact:

Gary Weiss

Executive Director

+61 2 8227 5500

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