



30 May 2024

NZX Limited
AUCKLAND

Release of preliminary unaudited financial results for the financial year ended 31 March 2024 (FY 2024)

Today Being AI Limited (NZX: BAI) released its preliminary result for FY 2024 to the market.

Financial Performance Summary

During FY 2024, BAI:

- generated revenues of \$40.52 million.
- achieved a 23% increase in operating EBITDA to \$2.97 million.
- generated a \$1.069 million net loss after tax, which loss included the accounting treatment of the reverse takeover transaction (“RTO”) – a \$1.69 million share-based expense.

Explanation of Financial Performance and Financial Results

As a RTO into a non-trading shell company, the accounting rules under NZ GAAP require the difference between the fair value of the consideration paid to purchase the listed shell company (through the transfer of shares) plus the net liabilities acquired, to be expensed as a share-based payment.

As part of the RTO, the Company acquired 100% of Being Consultants and its 100% owned subsidiaries, Being Labs Limited and Being Ventures Limited. The Company paid an initial \$5 million to acquire the shares in Being Consultants settled through the issue of shares. In addition, the vendors of Being Consultants were given a right to further ‘earn-in’ shares based on the Company’s share price achieving certain milestones over the next three years. The liability for the future payment of these earn-in shares is recognised at its fair value at balance date and has been valued at \$5.6 million by an independent valuer. Because Being Consultants has no trading history the valuation has been based on industry metrics from similar Nasdaq and ASX listed small cap businesses.

The Group has total assets of \$37.3 million and \$3.8 million in equity. The RTO valued Send Global at \$25 million and AGE at \$15 million. Because of the accounting rules this value is not reflected in the Group’s balance sheet. If it were, total assets would be \$78million and equity would be \$44.8 million.





Dividend Policy

The Company has no current plans to pay dividends. In the medium term, the opportunities for growth in the business are expected to be the priority for any surplus funds. The Board will review the dividend policy as revenue and cashflows allow.

Major Highlights for FY 2024

The major development for FY 2024 was obviously the completion of the RTO of the Company (previously named Ascension Capital Limited). As part of the RTO, the Company:

- acquired Being Consultants Limited, which company in turns owns Being Labs Limited and Being Ventures Limited – which companies are discussed in depth below.
- acquired Send Global Limited, a logistics, courier, business mail and filing company operating nationally from its headquarters in Auckland.
- acquired AGE Limited, which company operates AGE School, located in Takapuna, Auckland.
- issued 1,800,000,000 new shares to satisfy the payment of the purchase price for the above operations, together with a further 46,520,000 new shares to satisfy the repayment of certain liabilities owed by the Company to a shareholder, and present and former directors of the Company.
- appointed new directors David McDonald, Katherine Allsopp-Smith and Joe Jensen to the Board.
- changed its name to Being AI Limited, and its ticker code to “BAI”.

Post balance date developments

Post balance date (31 March 2024), the Company:

- acquired the education assets of Villa Education Trust, including an online school, management rights for two Auckland schools, and a third campus in the Far North.
- increased the depth of its executive team across the Being Consultants and Labs divisions by hiring four new executives in the following roles – Head of Customer Solutions, Emerging technologies Researcher, Head of Technology and Chief Product Officer.
- increased its borrowings with the ANZ by entering into new loan facilities with an aggregate increased facility limit of \$7 million, which loans provide the Company with facilities to fund working capital requirements of the Group, and retire historic indebtedness owed by the acquired entities to previous shareholders and their associated interests.
- issued 42,370,000 share options pursuant to the Being AI Employee Share Option Plan to independent directors, contractors and executives of the Group. These share options were issued with a view to retain the services of existing staff, recruit and attract new staff and align the interests of those staff with shareholders of the Company.

In the short time since listing, Being AI has made significant strides in building a strong foundation for future growth. The merging of Being Group, AGE School and Send Global, along with the acquisition of Villa Education Trust, sets the group up to leverage AI and emerging technologies to transform these industries.

We have assembled a world-class team with deep AI expertise, established our Labs team, and initiated multiple deep AI tech research projects. We have built a robust pipeline for both our consulting business and venture investments. These milestones are proving the model set out in our listing profile to the market.





Transforming Logistics and Education

The integration of AGE School and Send Global positions Being AI to drive significant transformation in both the logistics and education sectors.

Send Global along with the whole freight and logistics sector stands to benefit greatly from AI-driven innovations. With advancements in AI, we can enhance operational efficiencies, optimise supply chain management, improve last-mile delivery processes, customer transparency and satisfaction. AI can also provide predictive analytics for inventory management and demand forecasting, companies willing to adopt these changes will see significant competitive edge in the market.

Villa Education Trust, with its innovative online school, enhances our position in the education sector, particularly with the New Zealand government's upcoming Charter School initiatives. Furthermore, AGE School's advanced educational model, a beacon for the education industry, aims to make cutting-edge education accessible to more New Zealand children. This model not only focuses on academic excellence but also nurtures creativity, critical thinking, and a passion for lifelong learning.

We are also pleased to welcome Karen van Gernerden as our General Manager of Education. Karen brings extensive experience in the education industry, having been instrumental in the establishment of New Zealand's first Charter Schools. Her leadership and deep understanding of the educational landscape will be invaluable as we expand our educational initiatives and bring AGE School's innovative approach to a broader audience.

Our Commitment to Innovation

With strong leadership provided by Dr. Nicolas Fourrier, the early establishment of our Labs team and the launch of several R&D projects in AI technologies are already yielding promising results. We are excited about the potential impact these advancements will have on our clients and investee companies. Our team's expertise and the strategic initiatives we have underway are crucial to our long-term success.

In addition to these operational milestones, we have begun integrating shared services for our new acquisitions, including finance, operations, and marketing, ensuring seamless operations and synergies across the group.

Looking Ahead

Being AI is focused on expanding its market presence and exploring new geographic and sectoral opportunities. Our strategic goal is to lead in AI and AI-enabled industry transformation, reshaping industries through smart investments and innovative emerging technologies. We are confident in our ability to drive value for our shareholders and stakeholders as we move forward.

Our Team and Governance

Our board, comprising experienced leaders Sean Joyce, Joe Jensen, Roger Gower and Katherine Allsopp-Smith, provides valuable expertise to guide our strategic direction. The senior management team, including Nyssa Waters, Dr. Nicolas Fourrier, Paul Shale, Mike Dunshea, Erin Zink, Karen van Gernerden and Paul Forno are driving our operational excellence and innovation.





We adhere to robust governance practices, in line with the NZX Corporate Governance Code, ensuring transparency and accountability in all our operations.

Closing Thoughts

We remain dedicated to our growth strategy, focusing on innovation and strategic investments, and we look forward to sharing our journey in this regard with our shareholders.

For more information:

David McDonald

Group CEO, Being AI Limited

Mobile: +64 27 239 7000

Email: david@beingconsultants.ai

Sean Joyce

Chair, Being AI Limited

Mobile: +64 21 865 704

Email:

Website: BeingAI.Group

linkedin.com/beingconsultants

