



30 May 2025

Market announcement
NZX Limited
AUCKLAND

Being AI Releases Unaudited FY25 Results

Being AI Limited (NZX: BAI) today announced its preliminary unaudited financial results for the fiscal year to 31 March 2025 (FY25). The Company reported a poor financial performance, marked by a net loss before tax of -\$11.98 million, reflecting the significant challenges it has faced.

Summary of Key Financial Results

(Figures are quoted in NZ dollars)

- Revenue: \$40.10 million
- Operating EBITDA loss: \$3.94 million
- Net loss before tax: \$11.98 million

Financial Overview

For FY25, Being AI Limited recorded revenue of \$40.10 million. Despite efforts to streamline operations and raise external capital to fund growth, the Company delivered an operating EBITDA loss of \$3.94 million. The net loss before tax amounted to \$11.98 million, underscoring the financial difficulties encountered throughout the year.

- Goodwill impairments: Project Treehouse¹ \$5.96 million; Filecorp \$500,000
- Shareholders' equity: -\$6.99 million
- Provision: \$1.1million against the \$2 million Excalibur loan

While Send Global continued to perform well in FY25, its contributions were insufficient to offset the overheads incurred by the wider Being AI group.

A significant factor contributing to the net loss was the goodwill impairment relating to Project Treehouse an, amounting to \$5.96 million. Project Treehouse failed to secure external funding or implement pilot customer programmes. After a strategic review by the new Being AI Board, it was

¹ In this document Project Treehouse refers to Agentic Commerce as well as the Company's other AI initiatives

Online
beingai.group

Office
14 Honan Place / Avondale
Auckland / 1026 / New Zealand





determined that the project would continue to incur negative cash flows. Consequently, Project Treehouse was shut down on 16 May 2025, to prevent further losses and protect shareholder value.

Under NZ IAS 36, each year Being AI is required to assess the carrying value of certain assets in the Company's balance sheet. Analysis of Filecorp's forecast through to 31 March 2030 indicates that its goodwill asset should be impaired by \$500,000.

In addition to the goodwill impairment, Being AI Limited has made a provision of \$1.1 million against the \$2 million loan extended to Excalibur, an entity owned by Sean Joyce, Being AI's original chairman.

This provision has been made due to uncertainties regarding the value of the security backing the loan. The security consists of Being AI shares and Arria NLG shares owned by Excalibur. The value of Being AI shares has declined, and the Company has been unable to determine the current market value of the Arria NLG shares. The loan is scheduled for repayment at the end of 2028, and Being AI Limited will continue to pursue all opportunities to collect the full amount.

The impact of the goodwill impairments, the provision against the Excalibur loan, and the net loss, has resulted in shareholders' equity turning negative, standing at -\$6.99 million. This decline in equity reflects the significant financial strain the Company has experienced over the past fiscal year.

Operational Challenges

The financial year was marked by significant operational challenges, including multiple changes in directors and substantial cash burn to support Project Treehouse. These factors contributed to the Company's financial difficulties and operational inefficiencies. Additionally, Being AI Limited was placed in a trading halt for a period of over eight weeks until new independent directors could be appointed, further impacting its ability to operate effectively.

Being Consulting , Being Ventures and Tymestack

Being Consultants failed to make any substantive progress towards its revenue budgets in the eight months to November 2024. It was subsequently sold to 2384 LP, as previously disclosed in the half year results released on 30 September 2024.

Being Ventures did not identify suitable investment opportunities aligned with its original goal of transforming legacy businesses through AI, and therefore has not contributed to the Company's financial performance.

The Company recognised a full \$240,000 impairment of its investment in Tymestack in September 2024, as outlined in the half year results. On 31 October 2024 the parties agreed a variation to the original agreements in which the Company's investment in Tymestack was changed to a 10% shareholding with no further obligation to provide additional funding or services.





Strategic Review and Post-Balance Date Developments

Since the balance date, the new Board has focused on a strategic review aimed at stabilising the Company's financial position. To date, key actions taken include significantly reducing personnel, implementing operational cost savings, closing Project Treehouse (as noted above), divesting Being Education, and stemming operational losses. This strategic review is ongoing.

Being Education was divested to Crimson Education Group, a strategic move that eliminated \$3.9 million in Being AI group debt owed to Wilshire Treasury, along with a portion of trading liabilities.

Additionally, Being AI secured \$500,000 of funding from Wilshire Treasury, which was used to retire bank debt, further improving the company's financial position.

Strategic Outlook

The Board of Directors' strategic review is now focused on the future of the Being AI group including its management, assets and remaining entity, Send Global. Further market announcements are anticipated in due course.

For further details, please refer to the unaudited financial statements accompanying this announcement. Financial statements are currently undergoing the audit process and BAI is not aware of any likely qualifications. The Company's annual report, including its audited financial statements, will be available on the Being AI Limited website and through the NZX platform by 30 June 2025.

[ends]

This announcement has been authorised by BAI Board Chair, Michael Stiassny.

For further information, in the first instance please contact:

Mike Dunshea

BAI Group Secretary

Mobile 027 579 8687

mike.dunshea@beingai.group

