

Annual Report FY2022

SiteMinder Limited

ACN 121 931 744



1. Company details

| | |
|-------------------|---------------------------------|
| Name of entity: | SiteMinder Limited |
| ABN: | 59 121 931 744 |
| Reporting period: | For the year ended 30 June 2022 |
| Previous period: | For the year ended 30 June 2021 |

2. Results for announcement to the market

| | | | \$'000 |
|---|------|----------|-----------|
| Revenues from ordinary activities | up | 15.1% to | 116,016 |
| Loss from ordinary activities after tax | down | 9.3% to | (110,395) |
| Loss for the year | down | 9.3% to | (110,395) |

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$110,395,000 (30 June 2021: \$121,770,000).

Refer to the review of operations in the Directors' report for further commentary on the Group's results for the reporting period.

3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|------------------------|-----------------------|
| Net tangible assets per ordinary security | <u>26.44</u> | <u>(399.48)</u> |

The net tangible assets per ordinary security presented above is exclusive of right-of-use assets and lease liabilities.

The net tangible assets per ordinary share reported in the comparative period (30 June 2021) has been calculated based on 100,907,680 ordinary shares being on issue. This is the number of shares that would have been in existence at the end of that reporting period had the share split, which occurred in the current period, taken place as at 30 June 2021.

4. Audit qualification or review*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unmodified opinion has been issued.

5. Attachments*Details of attachments (if any):*

The Annual report for the financial year ended of SiteMinder Limited for the year ended 30 June 2022 is attached.

6. Signed

As authorised by the Board of Directors



Pat O'Sullivan
Chairman



23 August 2022
Sydney

Sankar Narayan
Managing Director and Chief Executive Officer

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Chairman and CEO Message FY2022



Pat O'Sullivan
Non-Executive Chairman



Sankar Narayan
CEO and Managing Director

Dear investors,

The last few years have marked one of the most disrupted periods experienced by the global travel sector in our lifetimes.

As communities across the world embrace a new sense of normalcy beyond the pandemic, people have eagerly become travellers again, exploring beyond their backyards for the first time in years.

Despite the repeated ways COVID-19, macroeconomic forces and geo-political impacts have both accelerated and delayed travel in regions across the world, at SiteMinder we have remained laser focused.

Following our listing on the Australian Stock Exchange, in FY22 we have delivered strongly on our objectives, with a year of landmark product delivery and other initiatives cementing the foundations for our next chapter of growth.

Adaptability and resilience have been the hallmarks of the Company's performance during the last three years, and this continues to be our strength. Our leadership team has been well positioned to navigate through this dynamic environment, as demonstrated by our engaged teams who have delivered and continued to remain focused on our key products and initiatives during the last year.

From a product perspective, FY22 was a year of significant releases headlined by the launch of the third generation SiteMinder Platform. Following a decade of delivering deep feature capability which enhanced our market-leading position in hotel technology globally, in FY22 we delivered an all-in-one cohesive product to equip and empower accommodation providers for growth in the new era of hotel commerce as

travel rebounds. Bringing all of our market-leading capabilities together, the SiteMinder Platform reduces complexity to make it easier for hoteliers to engage with the entire SiteMinder ecosystem, and, in the longer term, will allow our team to deliver machine learning and value-added data solutions to help hoteliers make informed business decisions. Alongside the Platform release, we also launched a new Little Hotelier app, a low-friction digital sales channel for the Little Hotelier product, and we continue to evolve our transactional products to improve their adoption and usage rates.

Amongst our suite of major product releases, we continued to make investments required to capture the large addressable market which exceeds 1 million hotels, to return the business to pre-COVID revenue growth rates.

We are proud that our subscription revenue model demonstrated resilience during the pandemic, making us one of the few travel tech companies in the world to deliver higher revenue in FY21 compared to FY19. The recovery of global travel coupled with the business initiatives executed in the last three years saw our year on year revenue growth accelerate from 10% in H1FY22 to more than 23% in Q4FY22 with an ARR of 25%, and this is with much of Asia still in the early stages of re-opening from the pandemic.

Importantly, in addition to our product initiatives, we have also focused on retooling the company for growth through investments in our go-to-market capabilities, fortifying our product and business leadership for customers and our investors for years to come. Notably, our go-to-market initiatives include the build-out of our partner network to advocate our capabilities, and the roll-out of digital customer sales and on-boarding/support to reduce the friction encountered by hoteliers looking to join SiteMinder. We expect these investments will support revenue growth while at the same time drive better unit economics in FY23 and beyond.

A global business since our inception, at SiteMinder we have always known that building teams with a broad cross-section of views and cultural backgrounds is critical to our success, and that our delivery and performance is underpinned by highly engaged teams. In the last 12 months, we have continued to nurture our talent and improve cross-functional effectiveness in a hybrid working environment, and we are proud that our teams report engagement scores surpassing global benchmarks. As we grow our multi-hub global workforce, we are also pleased to announce the in-sourcing of our Manila team in the Philippines, providing us with greater flexibility in aligning company culture and supporting teams across multiple functions.

We have also continued to actively prioritise cultivating diverse teams by increasing gender diversity across our global workforce, with a commitment to achieving 40/40/20 by 2024. We are pleased to report that in FY22, women represented 47% of SiteMinder's global workforce and 36% of leadership roles across the business. We have also worked towards a greater share of independent non executive directors, as part of our continued focus on increasing Board independence and diversity over time.

Details of our ESG initiatives can be found in our FY22 Sustainability report. The report details our initiatives and performance with regards to the environment, our people, the community, and the company's governance. We are proud of the progress we've made on all fronts in our short time as a public company but acknowledge that we're still early in the journey with much work to be done.

Following the close of FY22, we were pleased to sign an agreement to acquire GuestJoy, our first acquisition as a publicly listed company. GuestJoy is a suite of highly rated customer relationship management tools, helping hoteliers automate and digitise their guest communication and engagement programs. Its functionalities are critical for the modern hotelier looking to optimise their direct bookings and ancillary revenues. We are excited to welcome the founders, Alar Ülem and Annika Ülem, and their team into the SiteMinder family and we look forward to sharing GuestJoy's capabilities with our hoteliers.

As we embark on FY23, we are confident that we are well equipped to reach our growth targets. Our confidence in sustaining a high rate of organic growth is underpinned by the significant global opportunity



afforded by our multilingual platform, clear global market leadership, strong unit economics, and the investments made in product and rebuilding our go-to-market capacity. We expect the company will be free cash flow neutral by Q4FY24 on a quarterly basis subject to the continued recovery of travel and other factors outside the company's control, as we reach the necessary scale to self-fund organic growth.

None of the achievements highlighted would have been possible without the outstanding efforts of our team members over the last few years, who have pushed through some of the toughest personal and professional challenges to deliver the industry leading capabilities that we offer to accommodation providers globally. Our achievements would also not have been possible without the support from our founders, customers, and of course our investors. We look forward to your continued partnership as we build upon SiteMinder's industry leadership, and open every hotelier across the world to the next era of hotel commerce.

A handwritten signature in black ink, appearing to read "Pat O'Sullivan".

Pat O'Sullivan
Non-Executive Chairman

A handwritten signature in black ink, appearing to read "Sankar Narayan".

Sankar Narayan
CEO and Managing Director

SiteMinder Limited and its controlled entities

ABN 59 121 931 744

Annual report for the financial year ended - 30 June 2022

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Directors

Pat O'Sullivan - Non-Executive Chairman
Sankar Narayan - Managing Director and Chief Executive Officer
Michael Ford - Non-Executive Director
Jennifer Macdonald - Non-Executive Director
Kim Anderson - Non-Executive Director
Paul Wilson - Non-Executive Director
Leslie Szekely - Non-Executive Director

Company secretary

Aaron McKenzie

Notice of annual general meeting

The details of the annual general meeting of SiteMinder Limited are:
QT Sydney
49 Market Street
Screening Room
9am - 12pm on 24 October 2022

Registered office

Bond Store 3
30 Windmill Street
Millers Point NSW 2000
Phone: +61 2 9221 4444

Principal place of business

Bond Store 3
30 Windmill Street
Millers Point NSW 2000
Phone: +61 2 9221 4444

Share register

Automic Pty Ltd
Level 5, Deutsche Bank Tower
126 Phillip Street
Sydney NSW 2000
Phone: 1300 288 664

Auditor

Deloitte Touche Tohmatsu
Level 9, Grosvenor Place
225 George Street
Sydney NSW 2000

Solicitors

Gilbert + Tobin
Level 35, Tower Two, International Towers Sydney
200 Barangaroo Avenue
Barangaroo NSW 2000

Stock exchange listing

SiteMinder Limited shares are listed on the Australian Securities Exchange (ASX code: SDR)

Website

www.siteminder.com

Business objectives

In accordance with Listing Rule 4.10.19, the Company confirms that the Group has been utilising the cash and assets in a form readily convertible to cash that it held at the time of its admission to the Official List of ASX since its admission to the end of the reporting period in a way that is consistent with its business objectives.

| | |
|--------------------------------|---|
| Corporate Governance Statement | <p>The directors and management are committed to conducting the business of SiteMinder Limited in an ethical manner and in accordance with the highest standards of corporate governance. SiteMinder Limited has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.</p> <p>The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved by the Board of Directors at the same time as the Annual Report and can be found at www.siteminder.com/investor-relations/policies.</p> |
|--------------------------------|---|

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of SiteMinder Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were directors of SiteMinder Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Pat O'Sullivan - Non-Executive Chairman (appointed on 15 October 2021)
Sankar Narayan - Managing Director and Chief Executive Officer
Michael Ford - Managing Director until 5 November 2021. Non-Executive Director thereafter
Jennifer Macdonald - Non-Executive Director (appointed on 15 October 2021)
Kim Anderson - Non-Executive Director (appointed on 20 April 2022)
Paul Wilson - Non-Executive Director
Leslie Szekely - Non-Executive Director
David Yuan - Non-Executive Director (resigned on 21 October 2021)
John Burke - Non-Executive Director (resigned on 21 October 2021)

Principal activities

SiteMinder's hotel commerce platform encompasses solutions in the spaces of direct and third-party distribution, website design and creation, analytics and market insights, property management, and payments, for accommodation providers of all types and sizes to manage every stage of their customers' journeys. During the financial year, the Group's principal activities consisted of the development, sales and marketing of online guest acquisition platform and commerce solutions to accommodation providers, delivered via a software-as-a-service ('SaaS') subscription model.

No significant change in the nature of these activities occurred during the financial year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

Business overview

SiteMinder ("the Group") is the world's leading open hotel commerce platform based on size, distribution, and connectivity. The Group's innovative online platform offers hotels and accommodation providers key tools to grow reservations through direct customer acquisition as well as via established global and regional travel channels, increase revenue-generating opportunities, get insights on their performance, and eliminate costly manual processes.

SiteMinder is a global business with the largest footprint of its direct competitors. The Group serves 34,700 properties of all sizes in over 150 countries, employs staff in over 20 countries across six global sales hubs and seven offices and remote working locations, and offers a multilingual platform in eight languages. The Group facilitated over 100 million reservations per year with a value in excess of \$45 billion prior to the COVID-19 pandemic.

Growth strategy

The Group's growth strategy is centred around the deployment of its hotel commerce platform and Little Hotelier, an all in one solution for smaller properties. The Group will focus on continued organic growth with strong unit economics underpinned by multiple levers including property growth, subscription upsell, transaction products, and targeted M&A to complement platform capabilities.

- **Property growth:** With a total addressable market of over 1 million hotel properties globally, the Group believes there is a significant opportunity for growth by expanding its current property base of 34,700 properties. The Group aims to grow its property base by investing in its product offering so it can better target various market segments, and also in its multichannel go-to-market engine in terms of both capacity and capability.

During FY22 the Group launched its next generation Platform, which integrates all of its products to deliver an improved user interface, customer experience, and enhanced capabilities. The Group expects this will improve the appeal of the Platform to prospective and existing properties. In addition, the Group released Little Hotelier Basics ('LH Basics') to major English speaking regions. Featuring digital sales and on-boarding, and a hybrid pricing model, LH Basics makes adoption of the Group's technology more attractive and less disruptive for small accommodation providers.

- Subscription upsell: The Group is focused on growing revenue per property by offering premium bundle plans which provide full platform functionality to properties, and offering broader solutions to the Enterprise segment.
- Transaction products: The SiteMinder Pay, Demand Plus, and GDS products are of significant strategic value as they embed the Group within the exchange of funds process of its customers, further integrate the Group into the traveller booking experience, and provide an avenue to earn commission income on a portion of the gross booking value flowing through the Group's systems, which was in excess of \$45 billion in FY22. The Group aims to grow revenue from its transaction products by increasing customer uptake, investing in the product's capabilities to improve their effectiveness, and leveraging the long-term growth trend in travel activity. During FY22, uptake of the Group's transaction products increased 51% year on year ('y/y' or 'YoY').
- Potential M&A: Given the significant opportunities available with the Group's product suite and the geographies in which it operates, the Group is focused on driving organic growth. However, the Group may undertake acquisitions in the future to improve its strategic position and help strengthen the capabilities of the platform if the right opportunities arise.

Reconciliation to reported results and non-IFRS measures

The following commentary should be read with the financial statements and the related notes in this report.

For the purposes of this report, "underlying" is defined as the reported results as set out in the financial statements adjusted for significant items such as transaction costs related to IPO, revaluation of cash settled share based payments as at IPO and fair value movement on embedded derivative. In the prior comparative period this included items such as the wage subsidies related to COVID-19.

Non-IFRS (International Financial Reporting Standards) measures (such as EBITDA) have been included as the directors believe they provide useful information for readers to assist in understanding SiteMinder Limited's (ASX:SDR) ("SiteMinder" or "the Group") financial performance. Non-IFRS financial measures should not be viewed in isolation or considered as substitutes for measures reported in accordance with IFRS.

FY22 financial performance summary

| | FY22 \$'000 | FY21 \$'000 | YoY | YoY (cc) |
|---------------------------------------|------------------------|------------------------|------------|-----------------|
| Revenue | 116,016 | 100,761 | 15.1% | 15.0% |
| - Subscription | 86,807 | 84,014 | 3.3% | 3.4% |
| - Transaction and other | 29,209 | 16,747 | 74.4% | 72.3% |
| Reported EBITDA | (30,355) | (10,191) | | |
| Underlying EBITDA | (22,428) | (12,962) | | |
| Reported Net Loss After Income Tax | (110,395) | (121,770) | | |
| Underlying Net Loss After Income Tax | (40,709) | (28,228) | | |
| Reported Free Cash Flow | (115,374) | (13,322) | | |
| Underlying Free Cash Flow | (35,082) | (17,939) | | |
| <i>Key metrics</i> | | | | |
| Annualised Recurring Revenue | 129,700 | 104,900 | 23.6% | 25.3% |
| Properties (#) | 34,700 | 32,400 | 7.1% | 7.1% |
| Monthly Average Revenue per User (\$) | 291 | 257 | 13.2% | 13.2% |
| - Subscription | 218 | 214 | 1.9% | 2.0% |
| - Transaction | 73 | 43 | 70.7% | 68.6% |
| Monthly Revenue Churn | 1.0% | 1.6% | 60bp | |
| Lifetime Value (LTV, \$) | 20,347 | 12,145 | 67.5% | |
| Cost of Acquiring Customer (CAC, \$) | 6,386 | 5,739 | 11.3% | |
| LTV / CAC | 3.2x | 2.1x | +1.1x | |

Revenue

The Group's total revenue increased 15.0% on a constant currency basis ('cc') to \$116.0 million. Momentum accelerated towards the end of FY22 with revenue growth accelerating to 23.4% (cc) in Q4FY22. The key drivers of the performance were the increased attachment of transaction products, and the recovery of global travel as COVID-19 restrictions were eased in many countries along with growth in subscription revenues. By region, the Americas grew 27.3% (cc), EMEA grew 21.4% (cc) and APAC grew 0.4% (cc) y/y.

Annualised Recurring Revenue at the end of FY22 grew 25.3% (cc) y/y to \$129.7 million, which is 27% (cc) higher than the pre-COVID levels at 30 June 2019. The continued outpacing of revenue growth confirms that momentum continues to build in the business.

Subscription revenue increased 3.4% (cc) y/y to \$86.8 million in FY22 with growth accelerating through the year reaching 9.7% (cc) in Q4FY22. The performance was driven by property growth and ARPU (average revenue per user) expansion as subscribers broadened their adoption of the Group's portfolio of products, and the re-opening of a number of markets to travel towards the end of FY22. Property count at 30 June 2022 was 7.1% higher than 30 June 2021.

Transaction revenue increased by 72.3% (cc) y/y to \$29.2 million in FY22 with growth accelerating through the year to reach 86.3% (cc) in Q4FY22. The transaction revenue performance was driven by the increased attachment of transaction products to subscription customers with assistance from the recovery in global travel. The number of transaction products subscribed by the Group's customers increased 51% y/y to 13 thousand at the end of FY22.

Property count

The total number of properties subscribing to the Group's products increased by 7.1% in FY22.

By geographic region, the number of properties increased by 13.7% in the Americas, 9.1% in EMEA, and 1.4% in APAC. The regional growth rates reflect the relative impacts of COVID-19 on travel demand in those markets, and progress in the rebuilding of go-to-market capacity.

Regional performance

The Americas ('AMER')

Revenue increased 30.0% or 27.3% (cc) y/y to \$29.9 million, with growth accelerating from 24.9% (cc) y/y in the first half of the financial year ended 30 June 2022 ('H1FY22') to 29.6% (cc) y/y in the second half of the financial year ended 30 June 2022 ('H2FY22'). The performance was driven by the reopening of travel, the increased uptake of transaction products, and subscriber growth. Closing property count increased 13.7% y/y, which was the highest growth across all regions due to stronger domestic travel in the Americas and the earlier rebuild of the region's go-to-market capacity.

Europe, Middle East and Africa ('EMEA')

Revenue increased 19.8% or 21.4% (cc) y/y to \$49.4 million with the reopening of travel in EMEA. EMEA's revenue growth accelerated from 16.0% (cc) y/y in H1FY22 to 26.8% (cc) y/y in H2FY22, with the performance in H1FY22 constrained by the outbreak of the Omicron COVID-19 variant, which resulted in lockdowns in Germany and the UK. Property growth was 9.1% y/y.

Asia Pacific ('APAC')

Revenue increased by 0.6% or 0.4% (cc) y/y, with the region delivering 5.9% (cc) y/y growth in H2FY22 after 5.3% (cc) y/y decline in H1FY22. The region was heavily impacted by COVID-19 restrictions and lockdowns for most of FY22 with a number of the Group's key markets easing their COVID-19 policies starting Q4FY22.

Hotels in Asia, the Pacific Islands and New Zealand are more dependent on international travel and border closures during FY22 resulted in elevated property closures as domestic travel was not strong enough for them to remain open. Several regions of Australia were also in lockdown for a significant part of H1FY22. Property count in the region stabilised to grow 1.4% in FY22 after several periods of declines with operators optimistic on international travel resumption.

Gross margin

Subscription gross margin percentage improved from 81.0% in H1FY22 to 82.0% in H2FY22, driven by operating leverage. For FY22, subscription gross margin was 83bps lower than FY21 at 81.5% due to additional service costs in preparation for the migration of customers to the next generation platform. The prior period also benefited from \$0.5 million of wage subsidies relating to subscription cost of sales which did not re-occur in FY22.

Transaction gross margin percentage fell from 32.3% in H1FY22 to 30.9% in H2FY22 due to the timing mismatch of revenues (recognised at the time of guest checkout) and the upfront costs (incurred at the time of potential guest clicked through hotel website) related to performance marketing of the Demand Plus product. Adjusting for the impact of the timing mis-match, H2FY22 gross margin would have been 55bps higher than H1FY22 at 32.8% reflecting the benefit of increasing scale and operating leverage.

For FY22, transaction gross margin of 31.5% was 74bps higher than FY21 reflecting the benefit of increasing scale and operating leverage. Adjusted for the impact of the aforementioned timing mismatch of revenues and costs, FY22 transaction gross margin would have been 32.6%.

The Group's gross margin percentage fell from 70.1% in H1FY22 to 67.8% in H2FY22 reflecting the dynamics highlighted earlier, and the significant success the Group had in attaching transaction products and growing the lifetime value of its customers. Similarly, the Group's FY22 gross margin of 68.9% was 485bps lower than FY21. Excluding the impact of the aforementioned timing mismatch of revenues and costs in the Demand Plus product, the Group's gross margin would've been 68.3% in H2FY22 and 69.2% for FY22.

Discussion of costs

Total expenses for FY22 was \$226.9 million, increasing \$4.4 million or 2% y/y. The increase was driven by the following:

- Direct transaction costs increased by \$8.8 million or 83% y/y to \$19.3 million in FY22. The increase is in line with the growth in transaction revenue, which increased 74% y/y, with most of the growth coming from the Demand Plus and SiteMinder Pay products which have a lower margin than GDS revenue.
- Employee benefits increased by \$16.5 million or 21% y/y to \$93.2 million in FY22 as a result of increased headcount as the Group ramped up the business and expanded its go-to-market functions. During FY21 the Group also received wage subsidies related to COVID-19 which were not repeated in FY22.
- Marketing expenses increased by \$4.1 million or 105% y/y in FY22 to \$8.0 million. The increase reflects the Group's expanded go-to-market expenditure in relation to local and regional marketing events, and the scaling of the digital acquisition engine.

Earnings Before Interest Tax Depreciation & Amortisation ('EBITDA')

EBITDA is earnings before interest (net finance income), tax, depreciation and amortisation and is a financial measure which is not prescribed by the Australian Accounting Standards ('AASs') and represents profit or loss under AASs adjusted for specific items. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation.

Underlying EBITDA has been calculated by removing

- Cash settled equity plan rebase on IPO of \$1.5 million;
- Transaction cost related to IPO of \$5.8 million;
- Other costs related to the IPO of \$0.6 million; and
- Wage subsidies of \$2.9 million received in H1FY21 as part of government grants relating to COVID-19, have also been adjusted from the prior year for comparison.

| | Notes | FY22 \$'000 | FY21 \$'000 |
|---|-------|------------------|------------------|
| Reported loss after income tax | | (110,395) | (121,770) |
| Interest revenue calculated using the effective interest method | | (215) | (151) |
| Fair value movement on embedded derivative | | 61,759 | 96,313 |
| Depreciation, amortisation and impairment expense | | 17,465 | 14,142 |
| Finance costs | | 842 | 997 |
| Income tax expense | | 189 | 278 |
| Reported EBITDA loss | | (30,355) | (10,191) |
| Transaction cost related to IPO and capital raise | 1 | 5,826 | 172 |
| Other costs related to IPO | 2 | 606 | - |
| Equity plan rebasement on IPO | 3 | 1,495 | - |
| Wage subsidies | 4 | - | (2,943) |
| Underlying EBITDA loss | | (22,428) | (12,962) |

Underlying EBITDA losses increased from \$13.0 million to \$22.4 million y/y and was predominantly due to increased operating expenses, with the reinvestment in the business to support growth in FY22 and beyond. The investment is focused on rebuilding the Group's go-to-market capacity, which was reduced as part of its response to the COVID-19 pandemic in early 2020, and research and development investment for new product launches.

Net Profit After Tax

Net Profit After Tax ('NPAT') decreased by 9.3% to a loss of \$110.4 million; of this, the fair value movement on embedded derivatives on preference shares accounted for \$61.8 million. On IPO, these shares were converted to ordinary shares and therefore the exposure no longer exists. Underlying NPAT was a loss of \$40.7 million and the reconciliation back to the reported result is in the table below.

Reconciliation of reported Net Loss After Tax ('NLAT') to underlying NLAT

| | Notes | FY22 \$'000 | FY21 \$'000 |
|---|-------|------------------|------------------|
| Reported loss after income tax | | (110,395) | (121,770) |
| Transaction cost related to IPO and capital raise | 1 | 5,826 | 172 |
| Other costs related to IPO | 2 | 606 | - |
| Equity plan rebasement on IPO | 3 | 1,495 | - |
| Wage subsidies | 4 | - | (2,943) |
| Fair value movement on embedded derivative | 5 | 61,759 | 96,313 |
| Underlying loss after income tax | | (40,709) | (28,228) |

Notes:

- (1) Total transaction costs related to the IPO and capital raise were \$9.4 million of which \$3.6 million is directly attributable to the issue of new shares by SiteMinder, and has been recognised directly in equity. The remaining balance of \$5.8 million is treated as an operating expense and has been adjusted for underlying NPAT.
- (2) Other costs related to the IPO of \$0.6 million.
- (3) Cash settled shadow equity rebased to the IPO share price of \$1.5 million relates to the transition of legacy equity plans to a listed environment.
- (4) Wage subsidies of \$2.9 million received in H1FY21 as part of government grants relating to COVID-19.
- (5) The fair value movements on embedded derivatives refers to the costs of revaluation of embedded derivatives on convertible preference shares while a private company. On IPO these shares were converted to ordinary shares and therefore the exposure no longer exists.

Underlying Functional Profit & Loss Statement

In addition to the By-Nature presentation of its statutory Profit & Loss ('P&L') Statement, the Group is also presenting its P&L on a Functional basis. This is to assist readers of this report to gain a better understanding of the Group's financial performance, and to also promote the comparability of the Group's financial disclosure with other companies.

| | FY22 \$'000 | FY21 \$'000 |
|---|------------------|------------------|
| Revenue | 116,016 | 100,761 |
| Cost of Sales | (36,085) | (27,039) |
| Gross Profit | 79,931 | 73,722 |
| | | |
| Sales & Marketing | (46,746) | (36,509) |
| Research & Development | (21,606) | (18,297) |
| General & Administration | (24,891) | (18,565) |
| Share based payment expenses | (10,822) | (8,966) |
| Operating costs | (104,065) | (82,337) |
| | | |
| Other income | 439 | 107 |
| Other expenses | 1,267 | (4,454) |
| Underlying EBITDA | (22,428) | (12,962) |
| | | |
| Interest revenue calculated using the effective interest method | 215 | 151 |
| Depreciation, amortisation and impairment expense | (17,465) | (14,142) |
| Finance costs | (842) | (997) |
| Income tax expense | (189) | (278) |
| Underlying loss after income tax | (40,709) | (28,228) |
| | | |
| Transaction cost related to IPO and capital raise | (5,826) | (172) |
| Other costs related to IPO | (606) | - |
| Equity plan rebasement on IPO | (1,495) | - |
| Wage subsidies | - | 2,943 |
| Fair value movement on embedded derivative | (61,759) | (96,313) |
| Reported loss after income tax | (110,395) | (121,770) |

Sales and marketing costs include costs incurred onboarding new customers to the business. This has increased by \$10.2 million as the Group rebuilt capacity in line with improving market conditions, invested in local and regional marketing events, and invested in scaling the digital acquisition engine.

Research and development expenditure increased by \$3.3 million driven by the Group's product development plans. The Group launched a number of new products during FY22, including the Little Hotelier mobile app and the next generation Platform.

General and administration expenditure increased by \$6.3 million due to costs related to being a public company, short term rent, payroll and recruitment costs, and additional headcount to support the business.

Key Software as a Service ('SaaS') metrics

SaaS companies like SiteMinder operate on many of the same performance metrics as traditional companies, such as revenue, cash flow and customer numbers. However, understanding the performance of SaaS companies and being able to benchmark them is assisted by an understanding of SaaS-specific metrics. Below are the headline metrics the Group uses to manage and drive its performance.

Annualised Recurring Revenue ('ARR') is the prior month's recurring subscription revenue multiplied by 12 and the prior quarter's transaction revenue from subscriber customers (assuming any promotions have ended) multiplied by four. ARR provides a 12-month calculation of revenue at a point in time, assuming other factors such as subscriber numbers, transaction volumes, pricing and foreign exchange remain unchanged. Readers should note that ARR does not represent the Group's actual results, is not a financial forecast and should not be used in isolation as a forward-looking indicator of revenue.

ARR at the end of FY22 was \$129.7 million, growing 25.3% (cc) from FY21 and ahead of revenue growth reflecting the acceleration of the Group's business.

Lifetime Value ('LTV') is a calculation designed to estimate the average gross profit that the Group might expect to receive from subscription and transaction revenues over the lifetime of a property subscription. It is calculated by taking the monthly average ARPU over the last twelve months, multiplied by the gross margin percentage, divided by monthly revenue churn. This is then annualised by multiplying by twelve. LTV is based on annualised calculation of historical metrics at a point in time and is not a forecast of revenue that any particular customer will generate.

LTV at the end of FY22 was \$20,347 compared to \$12,145 in FY21 and \$18,851 in FY19. The improvement was driven by the improvement in monthly revenue churn from 1.6% in FY21 to 1% in FY22, and subscribers adopting a broader selection of products with the number of transaction products subscribed increasing 51% y/y to 13k in FY22. LTV in Q4FY22 was \$24,370 compared to pre-COVID level of \$18,738 in Q4FY19.

Cost of Acquiring Customer ('CAC') is a measure to understand the cost of acquiring a new customer and is primarily used as an input in the LTV/ CAC ratio. It helps us to decide how to allocate resources and ultimately if the Group is likely to achieve an adequate return on sales, marketing and onboarding expenses. It is calculated by the total sales, marketing and onboarding expenses over a period, less any set-up fees charged in the period, divided by the number of new billed properties in the period. This is presented on a rolling average for the period. CAC reflects the average cost to acquire a customer based on historical metrics at a point in time and not a reflection of what these costs will be in the future.

CAC at the end of FY22 was \$6,386, increasing 10.5% (cc) from FY21 as COVID related restrictions impacted customer sentiment for much of FY22. The Group also made investments to rebuild its go-to-market capacity, which was reduced as part of its response to the COVID-19 pandemic in early 2020, as well as scaling its digital acquisition engine. There is typically a lag between hiring, training and the successful contribution of fully ramped sales teams.

LTV/CAC is the ratio between the LTV and CAC. This is an important metric to use as it measures the profitability of acquiring a property. The Group will strive to maximise total LTV while optimising the level of CAC investment in order to achieve a desirable LTV/CAC ratio.

LTV/CAC for FY22 was 3.2x, increasing from 2.1x in FY21 representing the net impact of the changes in LTV and CAC. LTV/CAC in Q4FY22 was 3.9x as the Group grew its customer's LTV throughout FY22 thanks to the growing uptake of its transaction products and the recovery in global travel, while CAC stabilised as the rate of property additions accelerated.

Monthly ARPU is the monthly average revenue per user (or property) which measures the average revenue from each customer and is used in calculating LTV. It also indicates if the value of a customer is increasing or decreasing on average and helps management to analyse the performance of the business and make decisions on pricing and investment decisions. It is calculated by using monthly recurring revenue and dividing it by the number of properties for each respective month. The monthly ARPU is presented as the average of the last 12 months.

Monthly ARPU increased by 13.2% y/y (cc) to \$291 in FY22, and exited the year at \$313 in Q4FY22. Subscription ARPU increased 2.0% y/y (cc) to \$218 in FY22 as subscribers adopted a broader selection of solutions. Transaction ARPU increased 68.6% y/y (cc) to \$73 in FY22 as travel activity recovered and the number of transaction products subscribed by the Group's customers increased 51% y/y to 13.0k at the end of FY22.

Cash flow statement

Operating Cash Outflow in FY22 was \$30.5 million. This included \$7.8 million of IPO issuance costs including Directors and Officers insurance cover in relation to the IPO, \$9.8 million related to the closing out of employee incentives at the time of the IPO, and Pre IPO historical commitments of \$0.6 million. These items have been excluded for the purpose of determining underlying Operating Cash Outflow. The underlying Operating Cash Outflow of \$12.5 million reflects the Group's investment in rebuilding go-to-market capacity and scaling its digital acquisition engine to support future growth.

Investment Cash Outflow in FY22 was \$84.9 million which was primarily made up of a \$62.1 million investment in Term Deposits, and R&D investment of \$22.0 million to support product development and H2FY22 launches of the Group's mobile applications and next generation platform. For the purpose of determining underlying Investment Cash Outflow, the \$62.1 million investment in Term Deposits is excluded.

Financing cash flows of \$111.4 million in FY22 reflected the \$110.0 million in proceeds from issue of shares from IPO and capital raise, and payments for transaction costs that are directly attributable to the issue of new shares was \$3.6 million.

Underlying free cash outflow¹ for FY22 was \$35.1 million as presented below, representing 30% of revenues.

¹ Underlying free cash flow is the sum of underlying operating and underlying investment cash flows

The Group has available cash of \$26.6 million and term deposits of \$62.1 million totalling \$88.7 million. This excludes undrawn debt facilities of \$29 million.

| | Notes | FY22 \$'000 | FY21 \$'000 |
|---|-------|------------------|-----------------|
| Operating cash flows | | (30,505) | 2,533 |
| Investment cash flows | | (84,869) | (15,855) |
| Reported operating and investment cash flows | | (115,374) | (13,322) |
| Transaction costs relating to IPO and capital raise | 1 | 7,763 | - |
| Payment for employee incentives on IPO | 2 | 9,844 | - |
| Financial assets | 3 | 62,123 | - |
| Wage subsidies | 4 | - | (4,617) |
| Pre IPO historical commitments | 5 | 562 | - |
| Underlying free cash flow | | (35,082) | (17,939) |

(1) Transaction costs paid relating to the IPO and capital raise of \$9.7 million of which \$3.6 million is directly attributable to the issue of new shares by SiteMinder, and has been recognised in financing cash flow. The remaining \$6.1 million and an additional \$1.7 million of expenses is recognised in operating cash flow.

(2) Payment for employee incentive on IPO of \$9.8 million.

(3) Term deposits held of \$62.1 million.

(4) Wage subsidies of \$4.6 million were received in FY21 as part of government grants relating to Covid, timing difference to the P&L impact of \$2.9 million.

(5) Payment of \$0.6 million related to pre-IPO historical commitments.

Product investment strategy

The Group invested \$42 million in Research & Development for technology and capitalised 48% in FY22. Amongst the product investments, the Group is mobilising the world's small hoteliers through the relaunch of its Little Hotelier mobile application in February 2022, and its next generation platform was launched in April 2022.

Initial Public Offering ('IPO') and capital raise

SiteMinder successfully completed a listing on the ASX in November 2021 and received \$90.0 million of IPO proceeds from the primary offer and \$20.0 million from the capital raise in September 2021. Total transaction costs related to the IPO and the capital raise were \$9.4 million of which \$3.6 million is directly attributable to the issue of new shares by SiteMinder, and has been recognised directly in equity. The remaining balance of \$5.8 million has been treated as an operating expense.

Statement of financial position

The Group's cash and term deposit balance as at the end of June 2022 was \$88.7 million. Including the amount available under its undrawn debt facilities, the Group has \$117.7 million of liquidity. The capital raised from the IPO is being used to support the Group's growth objectives.

COVID-19 assessment

Since the start of the COVID-19 pandemic, the global travel sector has undergone significant disruptions given the extended periods of lockdowns, movement restrictions and border closures globally.

Throughout the COVID-19 pandemic, the Group's performance wasn't impacted to the same degree as the majority of the global travel industry. In FY21, the reporting period most impacted by COVID, the Group's revenues fell 5.7% y/y (cc).

For much of FY22, COVID-19 continued to have a significant impact on the travel industry and the trajectory of the Group's business. The emergence and outbreak of the Omicron variant during Q2FY22 resulted in a number of countries, notably in Asia and Europe, prolonging or re-introducing COVID-19 related restrictions.

Towards the end of FY22, as vaccination rates reached adequate levels, many countries started lifting their COVID-19 related restrictions and the Group saw a recovery in global travel activity. The SiteMinder World Hotel Index, which measures the Group's customer's booking volumes, improved from 65% to 95% of pre-COVID-19 levels during FY22. It should be noted that there exists significant variances by country and region due to differences in the pace at which COVID related travel restrictions are being eased. The recovery in global travel activity coupled with the investments the Group has made in product development and its go-to-market engine, has helped accelerate revenue growth from 10% y/y (cc) in H1FY22 to 23.4% y/y (cc) in Q4FY22.

The Group is hopeful that the recovery in global travel activity will continue going forward but note that new COVID-19 variants may see governments prolong or impose additional restrictions and other measures to combat the spread of the virus. This could adversely impact the Group's outlook.

Outlook

SiteMinder is targeting pre-COVID-19 revenue growth rates (31% from FY17-FY19) in the future but realisation of this target will depend on many factors outside of the Company's control, including the substantial abatement of COVID-19 related influences on the accommodation and travel industry.

SiteMinder, with a substantive global opportunity and market leadership, continues to invest in its go-to-market capacity, and expand the platform with a strong focus on unit economics.

The Group expects to become free cash flow neutral by Q4FY24 on a quarterly basis as it reaches the necessary scale to self-fund its organic growth plans, subject to the continued recovery of travel and other factors outside SiteMinder's control.

Material business risks

The material business risks faced by the Group that are likely to have an effect on its operational and financial performance are outlined below. This section also discusses the measures in-place to manage the potential impact the risks may have on the Group.

Disruption to the recovery and growth of the travel Industry

The Group's operating and financial performance is dependent on the health of the travel industry. The health of the travel industry can be impacted by events and factors outside of the Group's control. These include unusual or extreme weather, natural disasters, travel-related health concerns including pandemics and epidemics, wars, terrorist attacks, political uncertainty, foreign policy changes, and changes in economic conditions.

Any of these events may lead to a deterioration in the health of the travel industry which may impact the Group by way of lower customer additions, lower than budgeted pricing outcomes, elevated customer churn, reduced uptake of additional products by customers, and lower volumes and commissions from the Group's transaction products.

The Group manages the potential impact by maintaining a flexible cost base and being proactive in positioning the business for changes in the external environment. The Group's offering of relatively low cost but key subscription products has demonstrated resilience in challenging conditions, as demonstrated during the COVID-19 pandemic where revenues only fell 5.7% y/y (cc) in FY21.

Failure to execute growth strategies

The Group is investing to rebuild its go-to-market capacity, scale its digital acquisition engine, and improve its product portfolio through enhancements to existing products as well as the development of new ones. Should these investments fail to contribute as expected to unit economics and future organic growth, or experience delays and additional costs, it would impact the Group's growth outlook and projected path to becoming free cash flow neutral.

People risk

The Group is currently investing to rebuild its go-to-market capacity following the COVID-19 driven reductions in March 2020, and in product development. Building adequately skilled and resourced teams across the business is critical to achieving the Group's revenue growth and free cash flow targets.

Over the course of FY22, the labour market tightened and this was particularly the case for technology staff. To attract and retain staff, the Group offers a comprehensive benefits package that is competitive and multi-faceted. The Group regularly surveys its staff to proactively identify problems within teams and the broader business, and the surveys confirm high levels of engagement across the business.

To broaden its access to talent, the Group operates a number of offices spanning Asia, Europe, and the Americas. The Group celebrates and enjoys significant value from the diversity of opinions and approaches that its employees bring based on the countries and cultures they live in and their experiences prior to and outside SiteMinder.

Performance of technology systems

SiteMinder is a SaaS business that relies on the constant real-time performance, effectiveness, reliability and availability of its technology systems and global communications systems (including cloud infrastructure and the internet) to deliver products and services to its customers and grow its business. There is a risk that these systems fail to perform as expected or are adversely impacted by a number of factors, many of which may be outside of the Group's control.

Data security and privacy

The Group collects a wide range of data, including personal information, financial information, service usage data, and other confidential information. Any data security breaches or incidents could cause significant disruption to the Group's business and have a material adverse impact on its operations, financial performance, growth prospects and financial condition.

The Group is PCI DSS (Payment Card Industry Data Security Standard) Level 1 Service Provider certified and to maintain compliance the Group undergoes an external cybersecurity audit annually, as well as vulnerability testing every three months. The Group operates a security program designed to address information security and secure critical IT assets. The Group continually monitors and improves this.

In FY23, the Group intends to work towards becoming ISO 27001 certified, which is the recognised security standard in the travel industry.

Significant changes in the state of affairs

Capital injection

In September 2021, the Company raised \$20,000,000 capital for ongoing operational requirements in exchange for 119,204 new A class shares in the Company.

Secondary sale of shares

In September 2021, 293,908 convertible preference shares and 440,638 ordinary shares were converted into 734,546 A class shares in the Company.

Initial Public Offering ('IPO')

On 8 November 2021, the Company completed an IPO of 123,913,043 ordinary shares at \$5.06 per share and was admitted to the Official List of ASX Limited with the ASX code SDR. \$90,000,000 proceeds were raised from primary offers. \$9,702,000 transaction costs related to IPO and capital raise and \$9,844,000 employee incentives were paid as at 30 June 2022.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

Share Purchase Agreement

On August 22, 2022, SiteMinder signed a Share Purchase Agreement (SPA) to acquire GuestJoy for an initial payment of €3.25m, and a further €1.75m subject to the completion of specified performance milestones within 24 months. The transaction will be 100% equity funded via the issuance of additional shares. GuestJoy is a customer relationship management suite of tools that helps hoteliers automate and digitise their guest communication, drive upsell revenues, and strengthen direct guest acquisition. GuestJoy will help strengthen the capabilities of SiteMinder's platform which will aid new business acquisition, and reduce churn. SiteMinder is currently in the process of finalising this transaction and expects completion during the first half of FY23.

COVID-19

The impact of the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The Group is confident that it is taking the correct actions and continues to monitor the overall impact of COVID-19, which cannot be fully estimated at this time.

The extent of the future impact of COVID-19 on the Group's operational and financial performance will depend on developments including the duration and spread of the outbreak, regulations imposed by governments with respect to further outbreaks, quarantine, travel restrictions, economic stimulus that may be provided and the impact on clients that is uncertain and cannot be predicted at this time.

By the end of the financial year, SiteMinder has experienced improving revenues and has made good progress positioning the Group for an expected recovery in travel around the world.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group will continue to pursue its strategy of penetrating its significant total addressable market of more than 1 million properties, and growing the lifetime value of properties using its products. Through the execution of its strategies, the Group is targeting pre-COVID-19 revenue growth rates (31% from FY17-FY19) in the future but realisation of this target will depend on many factors outside of SiteMinder's control, including the substantial abatement of COVID-19 related influences on the accommodation and travel industry. The Group expects to continue to focus its product development and distribution efforts on the core area of distribution and guest acquisition platform. The Group also expected to continue to invest in its scalable internal sales, marketing and third party distribution to support its growth into both existing and new territories.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

| | |
|--------------------------------------|--|
| Name: | Pat O'Sullivan |
| Title: | Non-Executive Chairman |
| Qualifications: | Pat is a member of the Institute of Chartered Accountants in Ireland and Chartered Accountants Australia and New Zealand. Pat is a graduate of the Harvard Business School's Advanced Management Program. |
| Experience and expertise: | Pat has extensive experience as a Director of both listed and unlisted entities and has more than 30 years' executive commercial and business management experience, including holding various senior financial and operational roles in Ireland, the United States, Australia and New Zealand across a number of industries including traditional and online media, telecommunications, fast moving consumer goods and professional accounting. He was the Chief Financial Officer of Optus from 2001 to 2006 and was the Chief Operating Officer and Finance Director of Nine Entertainment Co Pty Limited from 2006 until 2012. |
| Other current directorships: | Non-Executive Chair of carsales.com Limited (ASX:CAR), and Non-Executive Chair of Technology One Limited (ASX:TNE). |
| Former directorships (last 3 years): | Non-Executive Director of Afterpay Limited (ASX:APT), and Marley Spoon (ASX:MMM). |
| Special responsibilities: | Chairman of the Board |
| Interests in shares: | 49,407 ordinary shares |
| Interests in options: | None |
| Interests in rights: | None |

| | |
|--------------------------------------|--|
| Name: | Sankar Narayan |
| Title: | Managing Director and Chief Executive Officer |
| Qualifications: | Sankar holds a Masters in Business Administration with Honours from the Booth School of Business at the University of Chicago and a Masters in Electrical Engineering from the State University of New York. He is a Certified Practising Accountant, Fellow of CPA (Australia). |
| Experience and expertise: | For more than 20 years, Sankar Narayan has delivered change management, operational rigour and business growth across the travel, technology, media and telecommunications sectors, with particular expertise in company transformations and business strategy to achieve strong shareholder outcomes. He has been a regular contributor to Forbes.com on the crucial topics of strategy, disruption and managing high growth businesses. Following several senior management roles at Virgin Australia, Fairfax Media and Foxtel, and having also worked at Vodafone Australia, Boston Consulting Group and Schlumberger prior, in 2015 Sankar joined Xero where he went on to serve in the dual capacity of Chief Operating and Financial Officer. |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | None |
| Interests in shares: | 7,095,320 ordinary shares 52,371 indirect interest in ordinary shares owned by Aquila Investment Management Pty Ltd as trustee for the Narayan Family Trust. |
| Interests in options: | 175,361 options over ordinary shares |
| Interests in rights: | 15,501 performance rights over ordinary shares |
| Name: | Michael Ford |
| Title: | Non-Executive Director |
| Qualifications: | Michael has a Bachelor's Degree in Commerce (Hons), Business Management and Information Systems from Rhodes University and an MBA from the University of Southern Queensland. |
| Experience and expertise: | Even as organisations speak of innovation as a tired catch phrase, few can boast leadership in speed-to-market quite like Michael Ford. Michael's conception of SiteMinder in 2006 followed his founding of Australian Leisure Operators only one year prior. Since then, he has led SiteMinder to be ranked among the top 20 greatest pioneering technology companies to come out of Australia and New Zealand, by H2 Ventures and Investec. In 2016, Michael was recognised as a winner of the 2016 EY Entrepreneur of the Year™ Eastern Region Awards. |
| Other current directorships: | None |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Member of the People and Culture Committee |
| Interests in shares: | 12,453,770 ordinary shares |
| Interests in options: | 80,000 options of ordinary shares |
| Interests in rights: | None |

| | |
|--------------------------------------|--|
| Name: | Jennifer (Jenny) Macdonald |
| Title: | Non-Executive Director |
| Qualifications: | Jenny is a member of Chartered Accountants Australia and New Zealand, has a Masters of Entrepreneurship and Innovation from Swinburne University and is Graduate member of the Australian Institute of Company Directors. |
| Experience and expertise: | Jenny has a background in financial and general management roles across a range of industry sectors including fast moving consumer goods, resources, travel and digital media. She has a proven track record in developing and implementing strategy with a focus on risk management, growth and value creation. Jenny was previously Chief Financial Officer and Interim Chief Executive Officer at Helloworld Travel and Chief Financial Officer and General Manager International at REA Group. |
| Other current directorships: | Jenny is currently Non-Executive Director of Bapcor Limited (ASX:BAP), Redbubble (ASX:RBL) and Healius Limited (ASX:HLS). |
| Former directorships (last 3 years): | Australian Pharmaceutical Industries (ASX:API) and Redflow (ASX:RFX). |
| Special responsibilities: | Chair of the Audit and Risk Committee |
| Interests in shares: | 49,525 ordinary shares |
| Interests in options: | None |
| Interests in rights: | None |
| Name: | Kim Anderson |
| Title: | Non-Executive Director |
| Qualifications: | Kim holds a Bachelor of Arts from the University of Sydney and a Graduate Diploma in Library Information Science from UTS. |
| Experience and expertise: | Kim has more than 30 years' experience as a CEO and senior executive in a range of media companies including Southern Star Entertainment, PBL and Ninemsn and Reading Room Inc (bookstr.com) of which she was CEO and founder. |
| Other current directorships: | Non-Executive Director of carsales.com Limited (ASX:CAR), Invocare (ASX: IVC) and Infomedia (ASX:IFM). |
| Former directorships (last 3 years): | Non-Executive Director of WPPAUNZ (ASX:WPP) and Marley Spoon AG (ASX:MMM). |
| Special responsibilities: | Chair of the People and Culture Committee |
| Interests in shares: | 15,000 ordinary shares |
| Interests in options: | None |
| Interests in rights: | None |
| Name: | Paul Wilson |
| Title: | Non-Executive Director |
| Qualifications: | Paul is a Fellow of the Financial Services Institute of Australia, a Member of Chartered Accountants Australia & New Zealand and a Member of the Australian Institute of Company Directors, and has a Bachelor of Business from Queensland University of Technology. |
| Experience and expertise: | Paul has had extensive private equity investment experience as a Director of CHAMP Private Equity in Sydney and New York, with MetLife in London, and as Executive Director at media focused investment group, Illyria Pty Ltd. Paul is co-founder and Managing Partner of technology focused expansion capital fund Bailador Technology Investments. |
| Other current directorships: | Managing Director of Bailador Technology Investments (ASX:BTI), Non-Executive Director of Straker Translations (ASX:STG) and Vita Group (ASX:VTG). |
| Former directorships (last 3 years): | None |
| Special responsibilities: | Member of the People and Culture Committee (Chair from November 2021 to May 2022). Member of the Audit and Risk Committee. |
| Interests in shares: | 49,407 ordinary shares |
| Interests in options: | 16,711,400 indirect interest in ordinary shares owned by Bailador Technology Investments Ltd |
| Interests in rights: | None |

| | |
|--------------------------------------|--|
| Name: | Leslie (Les) Szekely |
| Title: | Non-Executive Director |
| Qualifications: | Les holds a Bachelor of Law and Arts from the University of New South Wales, and a Master of Laws from the University of Sydney. |
| Experience and expertise: | Les was a tax consulting partner with Horwaths Chartered Accountants for 20 years, until the company merged with Deloitte, when he became a Director of Taxation in Deloitte Growth Solutions. |
| Other current directorships: | Since leaving Deloitte in 2008, Les has dedicated his time to angel and venture capital investing. He is the Chairman of Grand Prix Capital, Equity Venture Partners and Microequities Asset Management Group Limited (ASX: MAM). These businesses are engaged in venture investment at the angel, venture capital and early listed stages, respectively. Les is also a director of several venture backed growth companies. |
| Former directorships (last 3 years): | Non-Executive Chairman of Microequities Asset Management Group Limited (ASX:MAM) |
| Special responsibilities: | None |
| Interests in shares: | Member of the Audit and Risk Committee |
| Interests in options: | 15,284,882 indirect interest in ordinary shares owned by Bellite Pty Ltd as trustee for the Meyer Family Trust |
| Interests in rights: | None |
| Interests in options: | None |

'Other current directorships' quoted above are current directorships for ASX listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for ASX listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

| | |
|---------------------------|---|
| Name: | Aaron McKenzie |
| Title: | Company Secretary and General Counsel |
| Qualifications: | Aaron received a Juris Doctor (Master of Laws) from the University of Technology Sydney (UTS) and a B.A in Media and Communications from Southern Cross University. |
| Experience and expertise: | Aaron joined SiteMinder in 2018 as Corporate Counsel having spent a number of years in private practice advising startups, SMEs and listed companies on mergers and acquisitions, capital raisings and a broad range of corporate and commercial matters (including Corporations Act and ASX Listing Rules compliance). |

Meetings of directors

| | Full Board | | People and Culture Committee | | Audit and Risk Committee | |
|--------------------|---------------------------|-----------------------|------------------------------|-----------------------|---------------------------|-----------------------|
| | Attended whilst in office | Held whilst in office | Attended whilst in office | Held whilst in office | Attended whilst in office | Held whilst in office |
| Pat O'Sullivan | 8 | 8 | - | - | - | - |
| Sankar Narayan | 11 | 11 | 5 | 5 | - | - |
| Michael Ford | 11 | 11 | 5 | 5 | - | - |
| Jennifer Macdonald | 8 | 8 | - | - | 3 | 3 |
| Kim Anderson | 2 | 2 | 1 | 1 | - | - |
| Paul Wilson | 11 | 11 | 5 | 5 | 5 | 5 |
| Leslie Szekely | 11 | 11 | - | - | 4 | 5 |
| David Yuan | 3 | 3 | - | - | - | - |
| John Burke | 3 | 3 | - | - | - | - |

Board Committee meetings are open to all directors to attend.

Remuneration report (audited)

The remuneration report details key management personnel ('KMP') remuneration arrangements for the Group (also referred to as SiteMinder), in accordance with the requirements of s.300A of the Corporations Act 2001 Regulation 2M.3.03 of the Corporations Regulations 2001. KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- (1) People covered in this report
- (2) Remuneration framework and principles
- (3) Remuneration governance framework
- (4) MD & CEO and CFO statutory remuneration disclosures and outcomes
- (5) Non-Executive Director remuneration outcomes
- (6) Additional disclosures relating to key management personnel

1. People covered in this report

The table below outlines the KMP of the Group and their movement during the financial year.

| Name | Position | Term as KMP | People and Culture Committee Membership | Audit and Risk Committee Membership |
|--------------------------------|---|---------------------------|---|-------------------------------------|
| <i>Non-Executive Directors</i> | | | | |
| Pat O'Sullivan | Non-Executive Chairman | Appointed 15 October 2021 | Not applicable | Not applicable |
| Michael Ford | Managing Director until 5 November 2021 and Non-Executive Director thereafter | Full financial year | Member | Not applicable |
| <i>MD & CEO</i> | | | | |
| Sankar Narayan | Managing Director and Chief Executive Officer | Full financial year | Not applicable | Not applicable |
| <i>Other KMP</i> | | | | |
| Jonathan Kenny | Chief Financial Officer | Full financial year | Not applicable | Not applicable |

2. Remuneration framework and principles

| Purpose: Deliver great technology solutions to hoteliers around the world | | | | | |
|---|--|---|--|--------------------------|---|
| Delivered through three strategic pillars: | | | Enabled by: | | |
| Grow the property (customer) base | Increase customer adoption of SiteMinder products | Broaden Siteminder's addressable market | Our people | Best in class technology | Best in class go-to-market capabilities |
| Underpinned by our Remuneration Principles | | | | | |
| Provide clear alignment of remuneration with SiteMinder's strategic objectives | | | | | |
| Offer fair and market competitive based remuneration to attract, retain and motivate top talent in a competitive market | | | | | |
| Incentivise and reward high performance that delivers sustainable long term value for our shareholders | | | | | |
| Implement remuneration structures that are consistent, transparent and easy to understand | | | | | |
| Reinforcing business goals and objectives via our Remuneration Framework | | | | | |
| Remuneration Component | Alignment to Performance | | Alignment to principles and strategy | | |
| Fixed Remuneration ('FR') Comprises base salary and superannuation | Set at a market competitive level in relation to the scope, complexity, capabilities and individual performance in the role and provides recognition for day-to-day, operational activities in the role. | | Set to attract, retain and engage the best people to design and lead the delivery of our strategy. | | |
| Short-Term Incentive ('STI') Annual incentive opportunity. Delivered as a cash bonus of 50% for the MD & CEO and 25% for the CFO | STI outcomes are directly linked to both individual and Company performance against KPIs. Company objectives (80%) - Subscription Net adds - Revenue (on Constant Currency basis) - Cash Burn Individual objective (20%) - Strategic individual objectives | | Linked to the Company's key strategic priorities which directly contribute towards the financial year outcome and consistent with the long-term strategy of the company. | | |
| Long-Term Incentive ('LTI') For the FY21-FY24 plan, the allocation is as follows: 38% granted as performance rights and 62% granted as options. The 2022 LTI target opportunity is 25% of Total Remuneration for the MD & CEO and CFO. | The LTI plan rewards delivery of the long-term strategy. Three-year vesting period provides alignment between shareholder and executive outcomes. | | The three-year vesting period encourages consideration of long-term decision making and sustainable value creation, as well as operating as a retention tool. Performance is measured over three financial years. | | |

3. Remuneration governance framework

Role of the Board

The SiteMinder Board ensures remuneration is aligned with the Group's purpose, ways of working, strategic objectives and risk appetite, and approves remuneration outcomes for the Executive Leadership Team ('ELT') and Non-Executive Directors.

Role of the People and Culture ('P&C') Committee

The P&C committee is responsible for reviewing and approving SiteMinder's remuneration policies and framework, and for determining arrangements for its directors and executives.

The Committee assists the Board with remuneration matters and making recommendations to the Board in relation to:

- SiteMinder's remuneration policy and frameworks;
- The remuneration of the MD & CEO, CFO and ELT;

The MD & CEO may attend committee meetings as required and the MD & CEO makes recommendations to the People and Culture Committee on the performance and remuneration of direct reports. However, the MD & CEO does not participate in formal discussion or decisions with regard to his remuneration outcomes.

- The remuneration arrangements for the Chair and Non-Executive Directors of the Board.

The P&C committee also oversees SiteMinder's strategies and policies relating to:

- Organisation structure and cultures; and
- Succession planning for the ELT.

Use of remuneration consultants

To ensure remuneration is market competitive in order to attract and retain top talent, the Group may seek and consider advice from external and independent advisors and remuneration consultants on an as needs basis to benchmark Executive KMP remuneration against relevant peers and the committee in decision making.

During the financial year ended 30 June 2022, the Group engaged PricewaterhouseCoopers ('PwC'), remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs. This has resulted in share-based payments remuneration in the form of options and performance rights (LTI) being implemented. PwC was paid \$43,000 for these services.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from KMP. These protocols include requiring that the consultant not communicate with affected KMP without a member of the P&C committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected KMP. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Remuneration strategy and components

SiteMinder's remuneration strategy is designed to attract, retain and motivate top talent to drive a high performance culture through a remuneration structure that is aligned with the business strategy and supports the creation of long-term value for shareholders.

SiteMinder's executive remuneration structure is designed to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components. The executive remuneration framework has four components:

- (i) fixed remuneration (or base pay);
- (ii) short-term incentives;
- (iii) long-term incentives; and
- (iv) other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Total Fixed Remuneration ('TFR')

Total fixed remuneration, consisting of guaranteed base salary, superannuation and long service leave, is set at a market competitive level in relation to the scope, complexity, capabilities and individual performance in the role and provides recognition for day-to-day, operational activities in the role.

Executives may receive their total fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

Short Term Incentive Plan - Key Features and Outcomes for FY22

| Description | <p>The short-term incentives (STI) program is designed to reward executives for performance against annual targets aligned to business objectives (financial and non-financial).</p> <p>The STI is measured over a one-year performance period and paid in cash.</p> <p>The ELT are considerably vested with equity, there is therefore no mandatory deferment of STI award to equity. There is however a voluntary option to defer up to 100% of STI award in the form of performance rights. In order to incentivise the leadership team to invest in the long-term success of SiteMinder, the performance rights are issued at a discount of 10%, calculated using the 30 calendar days VWAP prior to the release of the public announcement for the full year FY22 results. These performance rights vest on 1 January 2023 and should an executive leave within the vesting period, the discount is forfeited. There is no current intention for this to be offered in future years. No KMP utilised this opportunity in FY22.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------|---|---|-----------|-----------|---------------------------|--|--|------------------------|-------|-------|--------------------------------------|-------|-------|-----------|-------|-------|---------------------------------|-------|--|------------------------------|--|--|-----------------------------------|-------|-----|--------------|--------|--|--|--|
| Performance Period | <p>SiteMinders financial year is from 1 July to 30 June.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| STI Opportunity | <p>In FY22, the target STI as a percentage of Total Fixed Remuneration was capped at 50% for the CEO and 25% for the CFO.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Key performance indicators ('KPIs') | <p>STI outcomes are directly linked to both individual and Company performance against KPIs. The Board has focussed the Executive KMP on the performance measures outlined below for H2FY22. Objectives for H1FY22 performance were set pre IPO for both the CEO and CFO and achieved an outcome of 90%.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Measure</th> <th>Weighting</th> <th>Threshold</th> </tr> </thead> <tbody> <tr> <td><i>Company Objectives</i></td><td></td><td></td></tr> <tr> <td>Subscription customers</td><td>26.7%</td><td>97.5%</td></tr> <tr> <td>Revenue (on constant currency basis)</td><td>26.7%</td><td>97.5%</td></tr> <tr> <td>Cash Burn</td><td>26.6%</td><td>90.0%</td></tr> <tr> <td><i>Total company objectives</i></td><td>80.0%</td><td></td></tr> <tr> <td><i>Individual Objectives</i></td><td></td><td></td></tr> <tr> <td>CEO and CFO individual objectives</td><td>20.0%</td><td>50%</td></tr> <tr> <td><i>Total</i></td><td>100.0%</td><td></td></tr> </tbody> </table> | Measure | Weighting | Threshold | <i>Company Objectives</i> | | | Subscription customers | 26.7% | 97.5% | Revenue (on constant currency basis) | 26.7% | 97.5% | Cash Burn | 26.6% | 90.0% | <i>Total company objectives</i> | 80.0% | | <i>Individual Objectives</i> | | | CEO and CFO individual objectives | 20.0% | 50% | <i>Total</i> | 100.0% | | | |
| Measure | Weighting | Threshold | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Company Objectives</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Subscription customers | 26.7% | 97.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenue (on constant currency basis) | 26.7% | 97.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash Burn | 26.6% | 90.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Total company objectives</i> | 80.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Individual Objectives</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CEO and CFO individual objectives | 20.0% | 50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Total</i> | 100.0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Performance threshold and maximum | <p><i>Performance scales</i></p> <p>Below Threshold</p> <p>Between threshold and target: 1% payment for 1% performance, increasing on a straight line basis to 100% at Target</p> <p>Target</p> <p>Maximum</p> | <p><i>STI outcome</i></p> <p>0% paid</p> <p>100% paid</p> <p>100% earned at target level performance, increasing on a straight-line basis to 150% earned on achievement of maximum level performance.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| STI Payment | <p>Cash STI is payable in the first quarter of each financial year after the announcement of SiteMinder's annual financial results for the previous year ended 30 June.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Board Discretion

Board discretion (either negative or positive) may be applied to STI outcomes for the Executive KMP and ELT. The guiding principle will be to ensure fairness in assessing STI outcomes and alignment with shareholder interests.

Cessation of employment

If an Executive KMP ceases employment with the Company prior to any awards being paid, unless the Board determines otherwise, the Executive KMP will forfeit any awards to be paid for the performance period.

The Board may consider the executive a 'good leaver' and use its discretion to pay all or part of the award. A good leaver will generally be determined by the Board (or its delegate) at the time of cessation of employment having regard to the circumstances at that time.

Long Term Incentive Plan ('LTIP') - Key Features and Outcomes

A description of the LTI structure applicable for FY22 is set out below. Pre-IPO legacy structures are described in the share based compensation section of this report.

Description

The Company established the LTIP to assist in the motivation, retention and reward of certain employees and Directors engaged by the Company or any of its subsidiaries (Participants). The LTIP is designed to align the interests of Participants more closely with the interests of Shareholders. Under the LTIP, the Company will make offers of Options and Performance Rights at the Company's discretion. The LTIP rewards delivery against longer-term strategy and sustained shareholder value creation. Three-year vesting period provides alignment between shareholders and executive outcomes.

LTI Opportunity

The 2022 LTI target opportunity was 25% of Total Remuneration for the Executive KMP.

Participation

Participation is limited to Executive KMP, ELT and selected senior management positions by invitation and as approved by the Board.

Performance Vesting & Period

Performance is measured over three financial years.

Plan Features

The number of performance rights and options granted for the FY21-FY24 plan are allocated as follows: 38% of the opportunity is granted as performance rights. The remaining 62% is granted as options.

No dividends are paid during the performance period, until the rights or options vest and are exercised.

Exercising of both options and performance rights is contingent on continued employment.

Vesting of options is contingent on an increasing exercise price, set at 10% above IPO price for year 1, 15% compounded growth above IPO price in year 2 and in year 3.

Allocation approach

The number of options to be granted were valued using a Black-Scholes model, which was divided into an agreed portion of the remuneration of each participant.

The number of performance rights to be granted were determined by dividing an agreed portion of the remuneration of each participant.

Cessation of employment

For LTI to vest, the executive must be employed at the date of vesting unless determined to be a good leaver. If the Board determines that a participant is a good leaver, and providing the participant has been in continuous employment with SiteMinder for at least three years, the Board may at its discretion allow unvested LTI grants to continue to remain on foot and vest subject to the original terms and performance conditions attached to the relevant grants, regardless of whether the participant remains employed by SiteMinder at the relevant vesting time. Otherwise all unvested LTI equity held by the participant will lapse upon termination of employment. The Board has the discretion to determine that any LTI benefit payable in the above termination circumstances can be settled in cash.

Board Discretion

Board discretion (either negative or positive) may be applied to LTI outcomes for the Executive KMP and ELT. The guiding principle will be to ensure fairness in assessing LTI vesting outcome and alignment with shareholder interests. Any Board discretion applied will be disclosed.

Malus & Clawback

Equity rights and/or deferred shares may lapse or be forfeited, at the discretion of the Board, in certain circumstances which include fraudulent behaviour or gross misconduct, material breach of contractual obligations or where equity awards have vested as a result of a material misstatement in the financial statements.

Change of Control

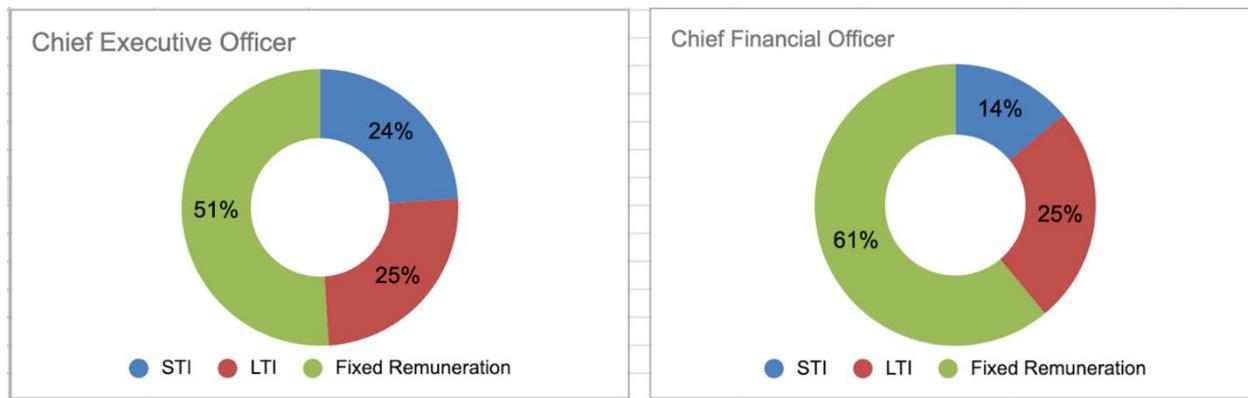
The Board has discretion to determine an appropriate treatment for unvested equity rights and/or deferred shares.

Share Trading Policy

In accordance with SiteMinder's Share Trading Policy, senior managers are prohibited from trading in the Company's shares other than during specified trading windows, or with approval in exceptional circumstances provided they do not possess inside information. In addition, senior managers are not permitted to enter into transactions with their shareholding in the Company which operate to limit the economic risk of their shareholding (e.g. margin loans, hedging or cap and collar arrangements), including limiting the economic risk of holdings of unvested entitlements associated with LTI securities.

Executive KMP Total Remuneration Opportunity

The charts below show the target remuneration mix and total remuneration opportunity for Executive KMP for FY22.



The actual remuneration mix will vary based on Group and individual performance each year.

Timeline for Delivery of Remuneration

A summary of the timeline of when the FY22 remuneration opportunity is delivered is shown below.

| Performance Year | Year 1 | Year 2 | Year 3 |
|----------------------|---------------------|--------|------------------------------|
| Fixed Remuneration | Base salary & super | | |
| Short-Term Incentive | | Cash | |
| Long-Term Incentive | | | Performance rights / Options |

4. MD & CEO and CFO Statutory Remuneration Disclosure

Prior to the IPO on 8 November 2021, SiteMinder Limited was not required to prepare a remuneration report in accordance with the Corporations Act 2001. As such, remuneration report information is presented only for FY2022.

FY22 Statutory Remuneration for MD & CEO and CFO

| | Short-term benefits | Post-employment benefits | Share-based payments | |
|---|-----------------------------------|---------------------------|----------------------|------------------|
| Cash salary including annual leave | | | | |
| | Maximum STI opportunity \$ | Super-annuation \$ | LTI \$ | Total \$ |
| Sankar Narayan | 400,010 | 23,568 | 262,194 | 885,772 |
| Jonathan Kenny | 438,602 | 23,568 | 609,648 | 1,181,468 |
| | 838,612 | 309,650 | 47,136 | 2,067,240 |

FY22 Actual Remuneration Outcomes

Details of the actual remuneration outcomes of key management personnel of the Group are set out in the following tables.

The FY22 executive remuneration reflects legacy pre-listing structures and is therefore below the benchmark ASX listed market data remuneration. No adjustments were made in FY22 to bring it in line with the benchmarks. Overtime the Group plan to address this largely through changes to variable compensation, with incremental changes to fixed remuneration in line with peer benchmark groups for comparable roles.

| | Short-term benefits | Post-employment benefits | Share-based payments | |
|---|--------------------------------|---------------------------|----------------------|------------------|
| Cash salary including annual leave | | | | |
| | Short-term incentive \$ | Super-annuation \$ | LTI \$ | Total \$ |
| Sankar Narayan | 400,010 | 23,568 | 262,194 | 864,612 |
| Jonathan Kenny | 438,602 | 23,568 | 609,648 | 1,171,296 |
| | 838,612 | 278,318 | 47,136 | 2,035,908 |

STI Outcomes

| | Maximum STI \$ opportunity | STI as % of Base Salary | % of STI Awarded | \$ Value of STI Awarded | % of STI Forfeited |
|----------------|----------------------------|-------------------------|------------------|-------------------------|--------------------|
| Sankar Narayan | 200,000 | 50% | 89% | 178,840 | 11% |
| Jonathan Kenny | 109,650 | 25% | 91% | 99,478 | 9% |

STI Scorecard outcomes for H2FY22

The annual outcomes achieved for CEO and CFO are based on SiteMinder's H2FY22 performance as follows:

| Objectives | Weighting | Threshold | Outcome % | Outcome % |
|---|-----------|-----------|-----------------|-----------------|
| | | | above threshold | above threshold |
| CEO | CFO | | | |
| <i>Company Objectives:</i> | | | | |
| Subscription Customers | 26.7% | 97.5% | 118% | 118% |
| Revenue (on Constant Currency basis) | 26.7% | 97.5% | 107% | 107% |
| Cash burn | 26.6% | 90% | 107% | 107% |
| <i>Individual Objectives:</i> | | | | |
| CEO and CFO Individual Objectives | 20.0% | 50% | 89% | 95% |
| <i>Total achievement to objectives:</i> | 100.0% | 50% | 89% | 91% |

Objectives for H1FY22 performance were set pre IPO for both the CEO and CFO and achieved an outcome of 90%.

LTIP and outcomes

Share-based compensation

Issue of shares

There were no shares issued to directors and other KMP as part of compensation during the year ended 30 June 2022.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

2017 Option plan

The Company established an Option Plan (2017 Option Plan) to align the interests of eligible employees more closely with the interests of shareholders by providing an opportunity for eligible employees to receive an equity interest in the Company. These options are granted over ordinary shares in the Company¹ for \$nil consideration. 25% will vest on each anniversary of the grant date for a total of four years, in each case subject to the participant remaining employed or engaged by the Group at the relevant vesting date. The options have an exercise price of between \$0.00 and \$4.19, which is determined by the Board at date of approval. Unvested options will lapse when the participant ceases to be an employee or the date that is 10 years after the date of grant of the option.

KMPs' interests under the 2017 Option Plan:

| Participant | Grant date | Number of options | Exercise price | Final vesting date | Expiry date | Vested at 30 Jun 2022 | Unvested at 30 Jun 2022 | Fair value per option at grant date |
|---------------------------|-------------|-------------------|----------------|--------------------|-------------|-----------------------|-------------------------|-------------------------------------|
| Sankar Narayan | 1 July 2020 | 80,000 | \$3.45 | 1 July 2024 | 1 July 2030 | 20,000 | 60,000 | \$1.1085 |
| Jonathan Kenny | 1 July 2020 | 80,000 | \$3.45 | 1 July 2024 | 1 July 2030 | 20,000 | 60,000 | \$1.1085 |
| Michael Ford ² | 1 July 2020 | 80,000 | \$3.45 | 1 July 2024 | 1 July 2030 | 20,000 | 60,000 | \$1.1085 |

¹ Until the date of the Prospectus, 21 October 2021, these options represented a right to acquire management loan funded shares in the Company for an exercise price. After the date of the Prospectus, all outstanding options, both vested and unvested, were modified in order to become rights over ordinary shares in the Company.

² Up until IPO, 5 November 2021, Michael Ford performed the role of Managing Director.

2017 Loan Funded Share Plan ('2017 LFSP')

The Company established a Loan Funded Share Plan (2017 LFSP) to align the interests of eligible employees more closely with the interests of shareholders by providing an opportunity for eligible employees to receive an equity interest in the Company. Under the 2017 LFSP and up until 21 October 2021, participants were issued fully paid management loan funded shares in the Company and given a non-recourse interest free loan ('management share loan') from the Company to fund the acquisition of those management loan funded shares. After 21 October 2021, all management loan funded shares were converted into ordinary shares in the company. These shares (previously management loan funded shares) will then continue to be held by participants and will, once vested, be able to be exercised by participants, subject to any applicable escrow restrictions. Voluntary repayments of a management share loan can be made at any time with compulsory repayment required when the shares are divested.

Vesting conditions on shares issued under the LFSP Plan Rules vary, with the vesting conditions including:

- 25% of the shares will vest on each anniversary of the date on which the shares were granted under the 2017 LFSP for a total of four years, subject to the LFSP Plan Rules; or
- The shares will vest on a realisation event, which includes an initial public offering or change of control of the Company.

The management share loans must be repaid on a repayment event, which includes where proceeds are received in respect of a buy-back, cancellation, transfer or disposal of the shares. Under the LFSP, the individual grants a security interest over all shares and securities in the Company held by them to secure payment of the loan. If a participant ceases to be an employee of a Group Company for any reason, unvested shares issued under the LFSP held by the participant will be forfeited on the date that the participant ceases to be an employee and all vested shares issued under the LFSP held by the participant may be retained by the participant in accordance with the Constitution, unless they are otherwise forfeited by the participant in accordance with the LFSP.

KMPs' interests under the 2017 LFSP:

| Participant | Grant date | Number of shares | Acquisition price | Limited recourse loan | Final vesting date | Vested at 30 Jun 2022 | Unvested at 30 Jun 2022 |
|---------------------------|----------------|------------------|-------------------|-----------------------|-----------------------------|-----------------------|-------------------------|
| Sankar Narayan | 7 January 2019 | 7,095,320 | \$17,603,876 | \$17,603,876 | 7 January 2023 ¹ | 5,321,490 | 1,773,830 |
| Jonathan Kenny | 1 October 2018 | 1,032,360 | \$1,659,519 | \$1,659,519 | n/a ² | 1,032,360 | - |
| Michael Ford ³ | 8 May 2017 | 2,206,440 | \$2,171,727 | \$2,171,727 | n/a ² | 2,206,440 | - |

¹ 25% vest on each anniversary of the grant date for a total of four years.

² All options vested following the completion of the IPO.

³ Up until IPO, 5 November 2022, Michael Ford performed the role of Managing Director.

SiteMinder's Long-Term Incentive Plan (LTIP) - options

2021 LTIP Options Plan

The Group, at the discretion of the Board of Directors, granted options over ordinary shares in the Company to certain key management personnel of the Group. The options are issued for \$nil consideration and are granted in accordance with performance guidelines established by the Board of Directors.

The options are convertible to ordinary shares on the satisfaction of time vesting condition of 3 years and have an exercise price of between \$5.57 and \$7.70.

As part of the IPO, the Chief Financial Officer Jonathan Kenny received a one-off incentive grant of 600,000 options. The options will be granted for \$nil consideration. The options have an exercise price of \$5.57 and will vest between 12 and 18 months from grant date on the condition of continued employment with the Group.

KMPs' interests under the LTIP Option Grant:

| Participant | Grant date | Number of options | Exercise price | Vesting date | Expiry date | Fair value per option at grant date |
|---------------------------------|--|-------------------|----------------|------------------------------|-----------------|-------------------------------------|
| Sankar Narayan | | | | | | |
| <i>LTIP Options</i> | | | | | | |
| Tranche 1 | 8 November 2021 | 25,983 | \$5.57 | 8 November 2022 | 8 November 2025 | \$1.61 |
| Tranche 2 | 8 November 2021 | 31,691 | \$6.69 | 8 November 2023 | 8 November 2025 | \$1.32 |
| Tranche 3 | 8 November 2021 | 37,687 | \$7.70 | 8 November 2024 | 8 November 2025 | \$1.11 |
| Jonathan Kenny | | | | | | |
| <i>LTIP Options</i> | | | | | | |
| Tranche 1 | 8 November 2021 | 23,840 | \$5.57 | 8 November 2022 | 8 November 2025 | \$1.61 |
| Tranche 2 | 8 November 2021 | 29,078 | \$6.69 | 8 November 2023 | 8 November 2025 | \$1.32 |
| Tranche 3 | 8 November 2021 | 34,579 | \$7.70 | 8 November 2024 | 8 November 2025 | \$1.11 |
| One-off LTIP IPO Options | | | | | | |
| Tranche 1 | 8 November 2021 | 400,000 | \$5.57 | 8 November 2022 ¹ | 8 May 2024 | \$1.61 |
| Tranche 2 | 8 November 2021 | 200,000 | \$5.57 | 8 May 2023 ² | 8 May 2024 | \$1.61 |
| ¹ | Tranche 1 - Options vest 12 months from grant date | | | | | |
| ² | Tranche 2 - Options vest 18 months from grant date | | | | | |

SiteMinder's Equity Performance Rights Plan

Under SiteMinder's Long-Term Incentive Plan, the Board of Directors of the Group established the SiteMinder Equity Performance Rights Plan in November 2021 for the purpose of providing executives with an opportunity to share in the growth in value of the Company and to incentivise executives to further engage in the improvement of the Group's performance. The Plan provides for Ordinary shares to be paid to the permanent executive leadership team at the time of satisfying time vesting conditions of up to 3 years from grant date and have an exercise price of \$nil.

Performance Rights Grants

| MD & CEO and CFO | Grant date | Number of performance rights | Exercise price | Final vest date | Expiry date | Fair value per right at grant date |
|-----------------------|-----------------|------------------------------|----------------|-----------------|-----------------|------------------------------------|
| Sankar Narayan | | | | | | |
| Tranche 1 | | | | | | |
| Tranche 1 | 8 November 2021 | 5,167 | \$0.00 | 8 November 2022 | 8 November 2025 | \$5.06 |
| Tranche 2 | 8 November 2021 | 5,167 | \$0.00 | 8 November 2023 | 8 November 2025 | \$5.06 |
| Tranche 3 | 8 November 2021 | 5,167 | \$0.00 | 8 November 2024 | 8 November 2025 | \$5.06 |
| Jonathan Kenny | | | | | | |
| Tranche 1 | | | | | | |
| Tranche 1 | 8 November 2021 | 4,741 | \$0.00 | 8 November 2022 | 8 November 2025 | \$5.06 |
| Tranche 2 | 8 November 2021 | 4,741 | \$0.00 | 8 November 2023 | 8 November 2025 | \$5.06 |
| Tranche 3 | 8 November 2021 | 4,741 | \$0.00 | 8 November 2024 | 8 November 2025 | \$5.06 |

No performance rights have vested at 30 June 2022.

One-off grants under the LTIP

In light of the current challenging and very competitive employment market, SiteMinder implemented a one-off plan utilising long term equity grants to improve our efforts to retain and motivate our management team.

The Plan provides for ordinary shares at an exercise price of \$nil to be paid to permanent executive leadership team members at the time of satisfying both a time vesting conditions of up to 2 years and the achievement of at least 50% growth in the Company's total revenue for the 12 months ending on 31 March 2024 using the 12 months ended on 31 March 2022 as the basis for comparison (being \$AUD110,133,325 (Revenue Threshold)). Extraordinary and one-off items will not be included in the calculation of revenue growth (as determined by the Board or by its sub-committee, in its or their absolute discretion).

The number of performance rights that will vest upon satisfaction of the vesting conditions will be determined as follows:

- For each 0.1% revenue growth above the revenue threshold, 1.0% of the performance rights will vest;
- Performance rights will vest in 1.0% increments only; and
- All unvested performance rights will lapse.

The number of performance rights that will vest upon satisfaction of the vesting conditions will be determined as follows:

| CFO | Grant date | Number of performance rights | Exercise price | Final vest date | Expiry date | Fair value per right at grant date |
|-----------------------------|-------------|------------------------------|----------------|-----------------|-------------|------------------------------------|
| Jonathan Kenny Tranche 1 | 10 May 2022 | 23,941 | \$0.00 | 30 April 2024 | 1 June 2026 | \$4.69 |

No performance rights have vested at 30 June 2022.

MD & CEO and CFO KMP Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

| | |
|----------------------|--|
| Name: | Sankar Narayan |
| Title: | Managing Director and Chief Executive Officer |
| Agreement commenced: | 2 January 2019 |
| Term of agreement: | No fixed term |
| Details: | Base salary for the year ending 30 June 2022 of \$400,000 plus superannuation, and entitled to participate in the Company's STIP and LTIP. 6 month termination notice by either party, non-solicitation and non-compete clauses. |
| Name: | Jonathan Kenny |
| Title: | Chief Financial Officer |
| Agreement commenced: | 16 October 2018 |
| Term of agreement: | No fixed term |
| Details: | Base salary for the year ending 30 June 2022 of \$438,600 plus superannuation and entitled to participate in the Company's STIP and LTIP. 3 month termination notice by either party, non-solicitation and non-compete clauses. |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

5. Non-executive Director Remuneration

Non-Executive Directors receive fees within an aggregate Directors' fee pool limit, which is periodically proposed for approval by shareholders. The maximum payable to be shared by all Non-Executive Directors currently stands at \$1,500,000 per annum. Fees and payments to Non-Executive Directors are determined by the demands that are made on their time, as well as their responsibilities.

| Role | Fees per annum (including superannuation) per role \$ | Total per annum \$ |
|-----------------------------------|--|-----------------------|
| Chairperson | 210,000 | 210,000 |
| Non-executive Directors | 110,000 | 550,000 |
| Audit & Risk Committee Chair | 20,000 | 20,000 |
| People & Culture Committee Chair | 20,000 | 20,000 |
| Audit & Risk Committee Member | 10,000 | 20,000 |
| People & Culture Committee Member | 10,000 | 20,000 |
| Total | | 840,000 |

Details of remuneration of Non-Executive Directors for FY22

| | Short-term benefits | Post- employment benefits | Share-based payments | | | Total \$ |
|---------------------|------------------------|---------------------------------|--|---------------------------|---------------|------------------|
| | | | Cash salary including fees and annual leave \$ | Super- annuation \$ | Options \$ | |
| Pat O'Sullivan* | 174,996 | 17,500 | - | - | - | 192,496 |
| Michael Ford*** | 532,044 | 11,784 | 14,264 | 64,852 | 622,944 | |
| Jennifer Macdonald* | 98,338 | 9,834 | - | - | - | 108,172 |
| Kim Anderson* | 23,637 | 2,364 | - | - | - | 26,001 |
| Paul Wilson | 106,583 | - | - | - | - | 106,583 |
| Leslie Szekely | 70,910 | 7,091 | - | - | - | 78,001 |
| | 1,006,508 | 48,573 | 14,264 | 64,852 | | 1,134,197 |

* For people brought on during the year the amount represents from date of appointment to 30 June 2022.

** The equity was granted prior to the IPO and vested upon a liquidity event (the IPO).

*** Up until IPO, 5 November 2011, Michael Ford performed the role of Managing Director.

6. Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

| | Balance at the start of the year (post share split)* | Received as part of remuneration | Additions | Disposals** | Other*** | Balance at the end of the year |
|------------------------|---|--|----------------|---------------------|------------------|--------------------------------------|
| <i>Ordinary shares</i> | | | | | | |
| Pat O'Sullivan | - | - | 49,407 | - | - | 49,407 |
| Sankar Narayan | 7,095,320 | - | 52,371 | - | - | 7,147,691 |
| Michael Ford | 33,000,280 | - | - | (20,546,510) | - | 12,453,770 |
| Jennifer Macdonald | - | - | 49,525 | - | - | 49,525 |
| Kim Anderson | - | - | 15,000 | - | - | 15,000 |
| Paul Wilson**** | 25,838,120 | - | 49,407 | (9,126,720) | - | 16,760,807 |
| Leslie Szekely***** | 41,067,320 | - | - | (25,782,438) | - | 15,284,882 |
| John Burke | 1,183,040 | - | - | (204,240) | (978,800) | - |
| Jonathan Kenny | 1,032,360 | - | - | - | - | 1,032,360 |
| | 109,216,440 | - | 215,710 | (55,659,908) | (978,800) | 52,793,442 |

* The opening balance has been adjusted to reflect 1:40 share split in November 2021 for comparison purposes.

** All disposals were before or at the point of IPO.

*** Other represents the number of shares held at resignation date, not necessarily a disposal of holding.

**** 16,711,400 indirect interest in ordinary shares owned by Bailador Technology Investments Ltd.

***** 15,284,882 indirect interest in ordinary shares owned by Bellite Pty Lt as trustee for the Meyer Family Trust.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

| | Balance at the start of the year | Granted | Exercised | Balance at the end of the year | Vested but not exercised |
|-------------------------------------|--|----------------|-----------|--------------------------------------|-----------------------------|
| <i>Options over ordinary shares</i> | | | | | |
| Sankar Narayan | 80,000 | 95,361 | - | 175,361 | 20,000 |
| Jonathan Kenny | 80,000 | 687,497 | - | 767,497 | 20,000 |
| Michael Ford | 80,000 | - | - | 80,000 | 20,000 |
| | 240,000 | 782,858 | - | 1,022,858 | 60,000 |

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

| | Balance at the start of the year | Granted | Vested | Expired/ forfeited/ other | Balance at the end of the year |
|--|--|---------------|----------|---------------------------------|--------------------------------------|
| <i>Performance rights over ordinary shares</i> | | | | | |
| Sankar Narayan | - | 15,501 | - | - | 15,501 |
| Jonathan Kenny | - | 38,164 | - | - | 38,164 |
| | - | 53,665 | - | - | 53,665 |

Other transactions with key management personnel and their related parties

During the financial year, payments for consulting services from Michael Ford were made to Reach Ventures Pty Ltd, an entity controlled by Michael Ford for \$144,917 (ex GST). The current trade payable balance as at 30 June 2022 was \$nil. All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of SiteMinder Limited under option at the date of this report are as follows:

| Grant date | Exercise price | Number under option |
|-----------------|-------------------|------------------------|
| 3 June 2019 | \$1.61 | 1,000,000 |
| 21 August 2019 | \$1.61 | 284,360 |
| 1 July 2020 | \$3.45 | 1,690,000 |
| 2 August 2021 | \$4.19 | 720,000 |
| 8 November 2021 | \$5.57 | 1,698,655 |
| 8 November 2021 | \$6.69 | 364,273 |
| 8 November 2021 | \$7.70 | 433,193 |
| 14 April 2022 | \$6.48 | 9,844 |
| 14 April 2022 | \$7.79 | 11,932 |
| 14 April 2022 | \$8.96 | 13,983 |
| | | 6,226,240 |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares under performance rights

Unissued ordinary shares of SiteMinder Limited under performance rights at the date of this report are as follows:

| Grant date | Exercise price | Number under rights |
|-----------------|----------------|---------------------|
| 8 November 2021 | \$0.00 | 2,510,949 |
| 1 January 2022 | \$0.00 | 47,583 |
| 1 February 2022 | \$0.00 | 186,310 |
| 14 April 2022 | \$0.00 | 1,917 |
| 10 May 2022 | \$0.00 | 887,849 |
| | | <u>3,634,608</u> |

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of SiteMinder Limited were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

| Date options granted | Exercise price | Number of shares issued |
|----------------------|----------------|-------------------------|
| 1 September 2018 | \$1.61 | 58,907 |
| 18 December 2018 | \$1.61 | 65,236 |
| 25 January 2019 | \$1.61 | 40,383 |
| 28 June 2019 | \$0.00 | 174,840 |
| 31 August 2019 | \$1.61 | 217,272 |
| 1 July 2020 | \$3.45 | 148,348 |
| | | <u>704,986</u> |

Shares issued on the exercise of performance rights

The following ordinary shares of SiteMinder Limited were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of performance rights granted:

| Date shares issued | Exercise price | Number of shares issued |
|--------------------|----------------|-------------------------|
| 1 January 2022 | \$0.00 | 263,649 |

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Deloitte Touche Tohmatsu

There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Pat O'Sullivan
Chairman

23 August 2022
Sydney



Sankar Narayan
Managing Director and Chief Executive Officer

The Board of Directors
SiteMinder Limited
Bond Store 3
30 Windmill St
Sydney NSW 2000

23 August 2022

Dear Board Members,

Auditor's Independence Declaration to SiteMinder Limited and its controlled entities

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of SiteMinder Limited and its controlled entities.

As lead audit partner for the audit of the financial statements of SiteMinder Limited and its controlled entities for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

Sandeep Chadha
Sandeep Chadha
Partner
Chartered Accountants

| | |
|---|----|
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For personal use only

| | Note | 30 June 2022 \$'000 | 30 June 2021 \$'000 | Consolidated |
|--|------|------------------------|------------------------|--------------|
| Revenue | 4 | 116,016 | 100,761 | |
| Other income | | 439 | 107 | |
| Interest revenue calculated using the effective interest method | | 215 | 151 | |
| Expenses | | | | |
| Direct transaction costs | | (19,307) | (10,522) | |
| Employee benefits expense | 6 | (93,175) | (76,690) | |
| Marketing and related expense | | (8,047) | (3,929) | |
| Technology costs | | (9,221) | (7,308) | |
| Professional fees | | (4,215) | (1,781) | |
| Occupancy expense | | (3,108) | (2,724) | |
| Fair value movement on embedded derivative | 28 | (61,759) | (96,313) | |
| Transaction costs related to IPO and capital raise | | (5,826) | (172) | |
| Depreciation, amortisation and impairment expense | 6 | (17,465) | (14,142) | |
| Net foreign exchange gain/(loss) | | 1,224 | (2,657) | |
| Other expenses | | (5,135) | (5,276) | |
| Finance costs | 6 | (842) | (997) | |
| Loss before income tax expense | 6 | (110,206) | (121,492) | |
| Income tax expense | 7 | (189) | (278) | |
| Loss after income tax expense for the year | | (110,395) | (121,770) | |
| Other comprehensive (loss)/income | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax | | 899 | 205 | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | |
| Foreign currency translation | | (1,487) | 1,675 | |
| Other comprehensive (loss)/income for the year, net of tax | | (588) | 1,880 | |
| Total comprehensive loss for the year | | (110,983) | (119,890) | |
| | | \$ | \$ | |
| Basic (loss)/earnings per share | 30 | (0.55) | (0.92) | |
| Diluted (loss)/earnings per share | 30 | (0.55) | (0.92) | |

| | Consolidated | |
|------|------------------------|------------------------|
| Note | 30 June 2022 \$'000 | 30 June 2021 \$'000 |

Assets

Current assets

| | | | |
|-----------------------------|----|--------|--------|
| Cash and cash equivalents | 8 | 26,598 | 30,970 |
| Trade and other receivables | 9 | 3,872 | 3,037 |
| Contract assets | 10 | 2,495 | 1,308 |
| Prepayments | | 2,681 | 1,501 |
| Other financial assets | 11 | 62,123 | - |
| Total current assets | | 97,769 | 36,816 |

Non-current assets

| | | | |
|---|----|----------------|---------------|
| Financial assets at fair value through other comprehensive income | 12 | 3,333 | 2,434 |
| Other financial assets | | 1,337 | 1,159 |
| Property, plant and equipment | 13 | 1,554 | 1,484 |
| Right-of-use assets | 14 | 9,727 | 12,257 |
| Intangibles | 15 | 37,912 | 30,031 |
| Deferred tax asset | 7 | 32 | 3 |
| Total non-current assets | | 53,895 | 47,368 |
| Total assets | | 151,664 | 84,184 |

Liabilities

Current liabilities

| | | | |
|----------------------------------|----|--------|---------|
| Trade and other payables | 16 | 20,366 | 16,880 |
| Contract liabilities | 17 | 3,907 | 4,020 |
| Borrowings | 18 | - | 65,941 |
| Derivative financial instruments | 19 | - | 339,944 |
| Lease liabilities | 20 | 2,717 | 1,653 |
| Provision for income tax | 7 | 2 | 25 |
| Employee benefits | 21 | 7,065 | 6,678 |
| Total current liabilities | | 34,057 | 435,141 |

Non-current liabilities

| | | | |
|-------------------------------|----|--------|--------|
| Lease liabilities | 22 | 9,913 | 12,629 |
| Deferred tax liability | 7 | - | 45 |
| Employee benefits | 23 | 671 | 11,319 |
| Lease make good provision | | 156 | 146 |
| Total non-current liabilities | | 10,740 | 24,139 |

Total liabilities

| | | | |
|--|--|--------|---------|
| | | 44,797 | 459,280 |
|--|--|--------|---------|

Net assets/(liabilities)

| | | | |
|--|--|---------|-----------|
| | | 106,867 | (375,096) |
|--|--|---------|-----------|

Equity

| | | | |
|---------------------|----|-----------|-----------|
| Issued capital | 24 | 234,014 | 53,544 |
| Reserves | 25 | 436,137 | 24,162 |
| Accumulated losses* | | (563,284) | (452,802) |

Total equity/(deficiency)

| | | | |
|--|--|---------|-----------|
| | | 106,867 | (375,096) |
|--|--|---------|-----------|

* Accumulated losses include \$422,256,000 (FY21: \$360,497,000) accumulated losses resulting from fair value through profit or loss of embedded derivative movement of preference shares and \$141,028,000 (FY21: \$92,305,000) accumulated losses from operations.

| | Issued capital \$'000 | Reserves \$'000 | Accumulated losses* \$'000 | Total deficiency in equity \$'000 |
|--|----------------------------------|----------------------------|---------------------------------------|--|
| Consolidated | | | | |
| Balance at 1 July 2020 | 53,515 | 18,978 | (331,032) | (258,539) |
| Loss after income tax expense for the year | - | - | (121,770) | (121,770) |
| Other comprehensive income for the year, net of tax | - | 1,880 | - | 1,880 |
| Total comprehensive (loss)/income for the year | - | 1,880 | (121,770) | (119,890) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Settlement of loans | 29 | - | - | 29 |
| Share-based payments | - | 3,304 | - | 3,304 |
| Balance at 30 June 2021 | 53,544 | 24,162 | (452,802) | (375,096) |
| Consolidated | | | | |
| Balance at 1 July 2021 | 53,544 | 24,162 | (452,802) | (375,096) |
| Loss after income tax expense for the year | - | - | (110,395) | (110,395) |
| Other comprehensive loss for the year, net of tax | - | (588) | - | (588) |
| Total comprehensive loss for the year | - | (588) | (110,395) | (110,983) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Contributions of equity, net of transaction costs (note 24) | 106,730 | - | - | 106,730 |
| Conversion of preference shares, net of transaction costs | 65,941 | 401,703 | - | 467,644 |
| New shares issued on options exercised | 625 | (538) | (87) | - |
| Settlement of loans | 7,174 | - | - | 7,174 |
| Share-based payments | - | 11,398 | - | 11,398 |
| Balance at 30 June 2022 | 234,014 | 436,137 | (563,284) | 106,867 |

* Accumulated losses balance as at 30 June 2021 include \$360,497,000 accumulated losses resulting from fair value through profit or loss of embedded derivative movement of preference shares and \$92,305,000 accumulated losses from operations.

** Accumulated losses balance as at 30 June 2022 include \$422,256,000 accumulated losses resulting from fair value through profit or loss of embedded derivative movement of preference shares and \$141,028,000 accumulated losses from operations.

| | | Consolidated | |
|--|------|------------------------|------------------------|
| | Note | 30 June 2022 \$'000 | 30 June 2021 \$'000 |
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 117,988 | 102,965 |
| Payments to suppliers and employees (inclusive of GST) | | (131,661) | (103,877) |
| Government grants received | | - | 4,618 |
| Transaction costs in relation to IPO and capital raise, net of GST refund | | (6,080) | - |
| Payments for employee incentives on IPO | | (9,844) | - |
| Interest and other finance costs paid | | (833) | (987) |
| Income taxes paid | | (75) | (186) |
| Net cash (used in)/provided by operating activities | 35 | (30,505) | 2,533 |
| Cash flows from investing activities | | | |
| Interest received | | 40 | 151 |
| Payments for property, plant and equipment | 13 | (883) | (932) |
| Payments for intangibles | 15 | (22,023) | (16,315) |
| Repayment from security deposits | | 100 | 1,098 |
| Proceeds from disposal of property, plant and equipment | | 20 | 143 |
| Placement of term deposits | | (62,123) | - |
| Net cash used in investing activities | | (84,869) | (15,855) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 110,000 | - |
| Net proceeds from management share loan and options | | 6,773 | - |
| Proceeds from settlement of loan | | - | 29 |
| Payments for transaction costs related to IPO and capital raise, net of GST refund | | (3,622) | - |
| Repayment of lease liabilities | 22 | (1,642) | (2,297) |
| Payments for transaction costs related to borrowing and loan | | (90) | - |
| Net cash provided by/(used in) financing activities | | 111,419 | (2,268) |
| Net decrease in cash and cash equivalents | | (3,955) | (15,590) |
| Cash and cash equivalents at the beginning of the financial year | | 30,970 | 46,005 |
| Effects of exchange rate changes on cash and cash equivalents | | (417) | 555 |
| Cash and cash equivalents at the end of the financial year | 8 | 26,598 | 30,970 |

The costs of issuing equity are deducted from equity and included in cashflow from financing activities. Otherwise, they are classified as operating expense and included in operating cashflows. The total amount of cash paid for issued costs during the financial year was \$9,702,000 of which \$6,080,000 was recognised as part of transaction costs related to IPO and included in operating activities and \$3,622,000 was recognised as payments for transaction costs related to IPO and capital raise as financing activities. In addition, there was a \$9,844,000 payment for employee incentive associated with the IPO.

Note 1. General information

The financial statements cover SiteMinder Limited as a Group consisting of SiteMinder Limited (referred to as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to as the 'Group').

SiteMinder Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Bond Store 3
30 Windmill Street
Millers Point
Sydney NSW 2000
Australia

SiteMinder's platform encompasses solutions in the spaces of direct and third-party distribution, website design and creation, analytics and market insights, property management, and payments, for hotels of all types and sizes to manage every stage of their customers' journeys. During the financial year, the Group's principal activities consisted of the development, sales and marketing of online guest acquisition platform and commerce solutions to accommodation providers, delivered via a software-as-a-service subscription model.

No significant change in the nature of these activities occurred during the financial year.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 August 2022.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income and derivatives measured at fair value through profit or loss.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Comparatives

Certain comparatives have been reclassified to conform with current year presentation. This has not had any impact on the financial position of the Group at 30 June 2021 or the results for the year then ended.

Note 2. Significant accounting policies (continued)

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SiteMinder Limited as at 30 June 2022 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. Refer to note 5 for further details.

Foreign currency translation

The financial statements are presented in Australian dollars, which is SiteMinder Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Note 2. Significant accounting policies (continued)

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

SiteMinder is a SaaS (Software as a Service) business, delivering software and licensing online via subscriptions. Specifically, SiteMinder is a cloud-based platform that provides a comprehensive product suite of marketing and management solutions for hotel chains, individual hotel owners, and partners (the customer). It provides software solutions to help reach, attract, and convert guests.

For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Contracts entered into take one of the following four forms:

- (a) Standard Terms and Conditions
- (b) Independent Hotel User Agreement
- (c) Standard Group User Agreement (Single Entity)
- (d) Standard Group User Agreement (Multiple Entity)

These terms outline the facets of the contract such as the parties to the contract, product(s) required by the customer, amount of the fees, the duration of the contract (including start and end dates), variable aspects (e.g. trial periods), conditions relating to cancellations, to name a few.

Contracts with customers can include various products and services, depending on customers' needs. All SaaS products can be sold individually or together with other SaaS products as a bundled solution to the customer. Where multiple SaaS products are provided to a customer as a bundle of services, each SaaS product is deemed to be a separate performance obligation as they are capable of being distinct and distinct in the context of the contract. In contracts where each SaaS product is a separate performance obligation, the revenue associated with each obligation is calculated by allocating the transaction price to the products on a relative stand-alone selling price basis.

The Group recognises sales revenue related to the transfer of promised goods or services when control of the goods or services passes to the customer, which is as the customer receives access to SiteMinder's online products. Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer.

The Group's principal revenue-generating activities involve the provision of online guest acquisition platform and commerce solutions to accommodation providers across the world.

Recurring subscription revenue (online guest acquisition platform)

Online guest acquisition platform products are as follows:

| No | Product | Description |
|----|-----------------------|--|
| 1 | Channel manager | Channel manager allows customers to sell their rooms on all connected booking sites (e.g. Booking.com, Expedia, the GDS, wholesale, the customer's direct channel), at the same time. It automatically updates the customers' availability in real-time on all sites and the customers' property management systems (PMS), when a booking is made, or when changes are made to the customers' inventory. |
| 2 | Online booking engine | Direct hotel booking service ('booking button'). This is an online booking engine that allows customers to take direct reservations from guests via their website, social media channels, and metasearch. |

Note 2. Significant accounting policies (continued)

| No | Product | Description |
|----|-----------------------------|---|
| 3 | Hotel Website Builder | The hotel website builder is an online tool that enables customers to create professional and easy to manage websites by leveraging pre-built templates and designs. |
| 4 | Hotel business intelligence | Hotel business intelligence refers to software that delivers data analytics and insights to help customers make strategic decisions, both for the short and long term. It will track market fluctuations, competitor rates, and the customers' own data to let customers closely analyse performance. |
| 5 | Little Hotelier | Little Hotelier is a Property Management System (PMS), which is the front desk and central hub of hotels' operations. This software processes everything from reservations, check-ins and check-outs and guest information. |
| 6 | SiteMinder Exchange | SiteMinder Exchange is a hotel app store which offers a seamless connection of over 100+ hotel apps with SiteMinder's Channel Manager or PMS data. |
| 7 | Multi-Property | SiteMinder Multi-Property gives hotel groups and chains the power to deploy new campaigns and distribution strategies, make informed decisions and rapidly create and configure rate plans across multiple properties, channel managers and their property management systems, at scale. |

- Recurring subscription revenue is primarily comprised of a fixed monthly subscription fee from subscribers to SiteMinder's online software products and an associated set up fee.
- For some customers that are sold products under this category, a transaction-based fee may also be charged, which is a fixed percentage of the guest booking value on guest's checkout. This is variable consideration and in applying the constraint on variable consideration in AASB 15, the Group fully constrains this at contract inception and will only recognise this fee as revenue as and when the guest successfully checks out of a booking, and the Group is entitled to revenue.
- The set up service is deemed not to be a contract promise under AASB 15 as it does not transfer a benefit to the customer. Therefore, revenue is not recognised in association with set up activities. Any fees collected for set up activities is deferred on the balance sheet as a contract liability.
- The subscription fee and set up fee are recognised over time, being the subscription period agreed with the customer, as the customer simultaneously receives and consumes the benefits of accessing the product.

Recurring transaction revenue (commerce solutions)

Commerce solutions products are as follows:

| No | Product | Description |
|----|----------------------------|--|
| 1 | Global distribution system | A GDS, or global distribution system, is a network that enables travel agencies and others within the travel industry to access and book travel products such as hotel rooms, airline tickets, or car rentals – all in one centralised place using a single PNR (passenger name record) number. As the price and availability of these products is subject to regular change, the GDS provides a real-time updated view so that travel agents can see the most up-to-date inventory. |
| 2 | SiteMinder Pay | Hotel payment processing refers to software that will allow customers to process secure online payments from guests. It is designed to be completely contactless. |
| 3 | Demand Plus | Demand Plus is a hotel metasearch. Metasearch is a way for travellers to see rates and inventory for hotels from a number of different booking sites in one easy-to-digest place. It makes it easy for travellers to find hotels and compare price and availability. Examples of metasearch sites are Google Hotel Ads and Trivago. |

Note 2. Significant accounting policies (continued)

- Revenue from these products are primarily comprised of monthly fees based on usage by customers to SiteMinder's commerce solutions. This is variable consideration and in applying the constraint on variable consideration in AASB 15, the Group fully constrains this at contract inception.
- SiteMinder Pay revenue is earned and recognised when the processing service is performed at the time of transaction. A refund liability is recognised for expected cancellations.
- Demand Plus charges customers a fixed percentage per completed booking. Revenue is earned and recognised at the time of guest check out, which is when the customer is obliged to pay for completed bookings as per the contract with SiteMinder.
- GDS charges hotels either a fixed percentage or a fixed amount per completed booking. Revenue is earned and recognised at the time of guest check out when the customer is obliged to pay for completed bookings as per the contract with SiteMinder.

Contract assets

Recurring transaction revenue is invoiced monthly in arrears. Unbilled revenue is recognised as contract assets in the statement of financial position. Contract assets are released to trade receivables in the following month. Contract assets are treated as financial assets for impairment purposes.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Refund liabilities

Refund liabilities are recognised in relation to SiteMinder Pay, where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. An example of such an instance is where the hotel has agreed to refund their guests' payments if they cancel their bookings, and the guests exercise the option to cancel their booking. A refund liability is measured at the amount of consideration received or receivable for which the Group does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used to estimate such returns at the time of sale based on an expected value methodology.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants received in response to the Coronavirus ('COVID-19') pandemic included:

- JobKeeper support payments in Australia - the Group has received JobKeeper support payments from the Australian Government which are passed on to eligible employees.
- Temporary Wage Subsidy Scheme in Ireland - the Group has received grants under the Scheme in Ireland.
- Coronavirus Job Retention Scheme in England - the Group has received Job Retention Scheme payments from the UK government.

These COVID-19 related grants are recognised after establishing the Group's entitlement to the grant and when the relevant qualifying expense is incurred. These grants are applied directly against the employee benefits expense in respect of which they were provided. No government grants related to COVID-19 were received in FY22.

Non-COVID-19 related government grant includes:

- Business development grant in Ireland - the Group has received funding from the Industrial Development Agency (Ireland) in return for establishing and carrying on an undertaking in Ireland.

This non-COVID-19 related grant is recognised following the successful audit for qualification for the grant and after a formal submission is made. This grant is recorded as income in the statement of profit or loss and other comprehensive income.

Note 2. Significant accounting policies (continued)

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group, as the customer, with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

Fees for the use of application software, including customisation costs are recognised as expenses over term of the service contract.

Configuration costs, data conversion and migration costs, testing costs and training costs are recognised as an expense as the service is received.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 2. Significant accounting policies (continued)

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in profit or loss with a corresponding entry to other comprehensive income. In all other cases, including equity investments measured at fair value through other comprehensive income, the loss allowance is recognised through profit or loss and reduces the asset's carrying value.

Note 2. Significant accounting policies (continued)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

| | |
|------------------------|--------------------|
| Leasehold improvements | one to six years |
| Furniture and fittings | one to seven years |
| Office equipment | one to four years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. The Group has depreciated the right-of-use assets over lease terms of three years. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Software

Significant costs associated with software the Group controls are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of one to three years.

Note 2. Significant accounting policies (continued)

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, the Group is able to use or sell the asset, the Group has sufficient resources and intent to complete the development and its costs can be measured reliably. SiteMinder's internal generated intangible assets are primarily derived from investment in building new or additional features on existing SiteMinder products or creating new applications and tools to existing and potential customers, which is intended to generate incremental revenue by expanding SiteMinder's product range. Capitalised development costs are amortised, commencing from the time the asset's development reaches the condition necessary for it to be capable of operation in the manner intended by management.

Capitalised development costs, including internal salary and on-costs that are directly attributable to developments of the Group's products and acquired product development, have a finite life of four to five years and are amortised on a systematic basis over the useful life of the project.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The incremental borrowing rate is derived from key external market based rates, the Group's credit margin, and the length of the lease. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions are brought to fair market value at all vesting and reporting date and recognised as an expense with a corresponding increase in liability over the vesting period. All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 2. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Preference shares

Preference shares are classified as a host debt financial liability at fair value when redemption is contingent on a future event of a trade sale being outside the control of the Group. The preference share conversion feature into ordinary shares is treated as an embedded financial liability derivative due to its down round anti-dilutive clauses, and separated from the host contract at fair value through profit or loss. The host debt financial liability was converted to embedded derivative conversion reserve and no gain or loss was recognised through profit or loss when the preference shares were converted to ordinary shares on IPO.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Note 2. Significant accounting policies (continued)

The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or 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 either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of SiteMinder Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

At the date of authorisation of these financial statements, the Group has not applied the following new and revised Australian Accounting Standards and Interpretations that have been issued but are not yet effective:

Note 2. Significant accounting policies (continued)

| Standard | Standard name | Applicability to the Group |
|---|---|----------------------------|
| Amendments to AASB 101 | Classification of Liabilities as Current or Non-current | 1 July 2023 |
| Amendments to AASB 3 | Reference to the Conceptual Framework | 1 July 2022 |
| Annual Improvements to IFRS Standards 2018-2020 Cycle | Amendments to AASB 1 First-time Adoption of International Financial Reporting Standards, AASB 9 Financial Instruments, AASB 16 Leases, and AASB 141 Agriculture | 1 July 2022 |
| Amendments to AASB 101 and AASB Practice Statement 2 | Disclosure of Accounting Policies | 1 July 2023 |
| Amendments to AASB 108 | Definition of Accounting Estimates | 1 July 2023 |
| Amendments to AASB 112 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 July 2023 |

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cash-settled and equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The measurement of share based payment transactions takes into account estimates of achieving targets for grants where applicable. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Capitalised software development costs

Software development costs have been capitalised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale. Key judgements are applied in considering costs to be capitalised which includes determining costs directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant software. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Useful life of capitalised development costs

The Group regularly considers the useful life of development costs, which is currently estimated to be four to five years. In determining the appropriate useful life for these assets a range of factors is taken into account including the specific nature of the asset created, risk of technical obsolescence, business performance and market conditions. To the extent that there is a change to the useful life of these assets (not related to impairment) the amortisation charge is changed prospectively.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Income tax

Management's judgement is applied in determining deferred tax assets recognised for tax losses and temporary differences based on the probability of generating taxable income in the short term. Deferred tax assets for tax losses or temporary differences in excess of deferred tax liabilities have not been recorded.

Preference shares

The convertible preference shares in note 18 were recognised as a financial liability. The directors have exercised their judgement in determining that the convertible preference shares be classified as hybrid instruments on the basis that the instruments do not meet the 'fixed for fixed' test in that there is a potential variation that serves to underwrite and protect the value of the conversion option in the event of a decrease in value of the shares. The fair value of the embedded derivative liability requires significant judgement. The preference shares were converted to ordinary shares on IPO.

Note 4. Revenue

| | Consolidated | |
|--|---------------------|---------------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| <i>Revenue from contracts with customers</i> | | |
| Recurring subscription revenue | 86,807 | 84,014 |
| Recurring transaction revenue | 29,209 | 16,747 |
| Total revenue | <u>116,016</u> | <u>100,761</u> |

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

| | Consolidated | |
|---|---------------------|---------------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| <i>Geographical regions</i> | | |
| Asia Pacific ('APAC') | 36,736 | 36,534 |
| Europe, Middle East and Africa ('EMEA') | 49,428 | 41,260 |
| Americas ('AMER') | 29,852 | 22,967 |
| 116,016 | <u>100,761</u> | |

Major customers

During the years ended 30 June 2022 and 30 June 2021, there were no major customers that represent greater than 10% of the Group's revenue.

Note 5. Operating segments

Identification of reportable operating segments

The Group operates within one business segment, being the operation of an online hotel booking platform assisting worldwide accommodation providers in gaining more online bookings and managing their online room distribution and reports to the Board of Directors (who are identified as the CODM) on the performance of the Group as a whole. While the Group generates revenue in a number of countries including APAC (Major countries: Australia, Thailand and New Zealand), EMEA (Major countries: United Kingdom, Spain and Germany) and AMER (Major countries: United States and Canada), these geographic operations are considered, based on internal management reporting and the allocation of resources by the Group's CODM, as one geographic segment.

The amounts for revenue by region is disclosed in note 4. The CODM does not review or assess financial performance on a geographical basis.

Note 5. Operating segments (continued)

Unless stated otherwise, all amounts reported to the Board of Directors are determined in accordance with accounting policies that are consistent with those adopted in these financial statements.

The Group has identified a single operating segment, which is the whole of the consolidated operation. This single operating segment represents a reporting segment. The segment disclosure for the reporting segment is consistent to those amounts present in the primary statements and notes.

Note 6. Loss before income tax expense

| Consolidated | 30 June 2022 | 30 June 2021 |
|--------------|--------------|--------------|
| \$'000 | \$'000 | \$'000 |

Loss before income tax includes the following specific expenses:

Depreciation, amortisation and impairment

| | | |
|---|---------------|---------------|
| Depreciation of property, plant and equipment (note 13) | 794 | 986 |
| Depreciation of right-of-use assets (note 14) | 2,530 | 2,530 |
| Amortisation of intangible assets (note 15) | 14,141 | 9,989 |
| Impairment of intangible assets (note 15) | - | 637 |
| | | |
| Total depreciation, amortisation and impairment | <u>17,465</u> | <u>14,142</u> |

Finance costs

| | | |
|--|-----|-----|
| Interest and finance charges paid/payable on lease liabilities | 833 | 944 |
| Interest on banking facilities | - | 45 |
| Unwinding of the discount on lease make good provision | 9 | 8 |
| | | |

Finance costs expensed

| | | |
|------------------------|------------|------------|
| <i>Leases</i> | | |
| Short-term lease | 821 | 589 |
| Low-value assets lease | 10 | 7 |
| | | |
| | <u>831</u> | <u>596</u> |

Employee benefits expense

| | | |
|--|---------------|---------------|
| Employee benefits* | 101,762 | 86,074 |
| Capitalised employee benefits expense** | (20,888) | (15,407) |
| Expense associated with shared-based payment plans | 9,596 | 3,304 |
| Expense associated with shadow equity plan*** | 2,721 | 5,662 |
| Government grants received | (16) | (2,943) |
| | | |
| Total employee benefits expense | <u>93,175</u> | <u>76,690</u> |

* Employee benefits include \$5,281,000 (30 June 2021: \$4,326,000) defined contribution superannuation expense.

** Costs incurred in relation to employee benefits that are directly attributable to development activities and therefore capitalised in intangible assets.

*** Refer to note 38 for further information on shadow equity plan.

Note 7. Income tax

| | Consolidated | |
|--|---------------------|---------------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| <i>Income tax expense</i> | | |
| Current tax | 108 | 276 |
| Deferred tax - origination and reversal of temporary differences | (74) | 2 |
| Adjustments in respect of income tax for the under-provision in prior year | 155 | - |
| Aggregate income tax expense | 189 | 278 |
| Deferred tax included in income tax expense comprises: | | |
| Increase in deferred tax assets | (29) | - |
| Increase/(decrease) in deferred tax liabilities | (45) | 2 |
| Deferred tax - origination and reversal of temporary differences | (74) | 2 |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i> | | |
| Loss before income tax expense | (110,206) | (121,492) |
| Tax at the statutory tax rate of 30% | (33,062) | (36,448) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Non-deductible expenses | 1,928 | 2,231 |
| Foreign exchanges fluctuation | 66 | 35 |
| Current year tax benefit not recognised | 13,970 | 5,463 |
| Fair value movement on embedded derivative | 18,528 | 28,894 |
| Utilisation of carry forward tax losses not previously recognised | (594) | - |
| Recognition of temporary differences previously not brought to account | (334) | - |
| Adjustments in respect of income tax for the under-provision in prior year | 155 | 159 |
| Difference in overseas tax rates | (468) | (56) |
| Income tax expense | 189 | 278 |
| Consolidated | | |
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| <i>Tax losses not recognised</i> | | |
| Unused tax losses for which no deferred tax asset has been recognised | 51,786 | 30,948 |
| Potential tax benefit at statutory tax rates | 15,255 | 8,602 |

The Group has only recognised deferred tax assets for all deductible temporary differences, unused tax losses and any unused tax credits to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilised. The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The Group has deductible temporary differences of \$3,827,505 (30 June 2021: \$4,577,751) that are unrecognised. The potential tax benefit at the applicable tax rates is \$1,123,858 (30 June 2021: \$1,252,320).

Note 7. Income tax (continued)

| | Consolidated | |
|---|--------------|--------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| <i>Deferred tax asset</i> | | |
| Deferred tax asset comprises temporary differences attributable to: | | |
| Amounts recognised in profit or loss: | | |
| Property, plant and equipment | 22 | - |
| Employee benefits | 45 | - |
| Other provisions | 72 | - |
| Other | 90 | 3 |
| Offset against deferred tax liability | <u>(197)</u> | <u>-</u> |
| Deferred tax asset | <u>32</u> | <u>3</u> |
| Movements: | | |
| Opening balance | 3 | 3 |
| Credited to profit or loss | <u>29</u> | <u>-</u> |
| Closing balance | <u>32</u> | <u>3</u> |
| <i>Deferred tax liability</i> | | |
| Deferred tax liability comprises temporary differences attributable to: | | |
| Amounts recognised in profit or loss: | | |
| Unrealised foreign exchange fluctuation | 197 | - |
| Other | - | 45 |
| Offset against deferred tax assets | <u>(197)</u> | <u>-</u> |
| Deferred tax liability | <u>-</u> | <u>45</u> |
| Movements: | | |
| Opening balance | 45 | 43 |
| Charged/(credited) to profit or loss | <u>(45)</u> | <u>2</u> |
| Closing balance | <u>-</u> | <u>45</u> |
| <i>Provision for income tax</i> | | |
| Provision for income tax | <u>2</u> | <u>25</u> |

Note 8. Current assets - cash and cash equivalents

| | Consolidated | |
|--------------|--------------|---------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Cash at bank | 26,598 | <u>30,970</u> |

For the purposes of the consolidated statement of cash flows, cash and cash equivalents includes cash on hand and at banks and short term deposits. Cash and cash equivalents at the end of the reporting date as shown in the statement of cash flows are reconciled to the related items in the consolidated statement of financial position as above.

Note 9. Current assets - trade and other receivables

| | Consolidated | |
|--|--------------|--------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Trade receivables | 3,771 | 3,704 |
| Less: Allowance for expected credit losses | (438) | (729) |
| | <u>3,333</u> | <u>2,975</u> |
| Other receivables | 394 | 62 |
| GST, VAT and sales tax receivables | 145 | - |
| | <u>3,872</u> | <u>3,037</u> |

Trade receivables are non-interest bearing and are generally on terms of 7 to 90 days.

Allowance for expected credit losses

The Group has recognised a loss of \$1,575,000 (2021: \$1,628,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

| Consolidated | Expected credit loss rate | | Carrying amount | | Allowance for expected credit losses | |
|--------------|---------------------------|--------------|-----------------|--------------|--------------------------------------|--------------|
| | 30 June 2022 | 30 June 2021 | 30 June 2022 | 30 June 2021 | 30 June 2022 | 30 June 2021 |
| | % | % | \$'000 | \$'000 | \$'000 | \$'000 |
| not overdue | 4% | 7% | 2,456 | 1,934 | 102 | 127 |
| 0-30 days | 8% | 12% | 849 | 954 | 69 | 117 |
| 31-60 days | 24% | 32% | 190 | 345 | 45 | 111 |
| 61-90 days | 45% | 54% | 98 | 193 | 44 | 104 |
| over 90 days | 100% | 97% | <u>178</u> | <u>278</u> | <u>178</u> | <u>270</u> |
| | | | <u>3,771</u> | <u>3,704</u> | <u>438</u> | <u>729</u> |

Note 9. Current assets - trade and other receivables (continued)

Movements in the allowance for expected credit losses are as follows:

| | Consolidated | |
|--|--------------|--------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Opening balance | 729 | 3,321 |
| Net provisions recognised | 1,576 | 1,595 |
| Receivables written off during the year as uncollectable | (1,861) | (4,151) |
| Exchange differences | (6) | (36) |
| Closing balance | 438 | 729 |

Note 10. Current assets - contract assets

| | Consolidated | |
|-----------------|--------------|--------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Contract assets | 2,495 | 1,308 |

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

| | | |
|-------------------------------|--------------|--------------|
| Opening balance | 1,308 | 765 |
| Additions | 20,006 | 13,058 |
| Transfer to trade receivables | (18,814) | (12,515) |
| Exchange differences | (5) | - |
| Closing balance | 2,495 | 1,308 |

Contract assets are recognised for recurring transaction revenue to be billed in next month.

Note 11. Current assets - other financial assets

| | Consolidated | |
|--------------------------------|--------------|--------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Term deposits held to maturity | 62,123 | - |

Term deposits are held for 9-12 months during the period.

Note 12. Non-current assets - financial assets at fair value through other comprehensive income

| | Consolidated | |
|---|--------------|--------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Investment - at fair value through other comprehensive income | 3,333 | 2,434 |

Investment refers to a 5.8% interest in Rezdy Pty Ltd (ACN: 153 242 632) purchased in 30 April 2012. Refer to note 28 for further information on fair value measurement.

Note 13. Non-current assets - property, plant and equipment

| | Consolidated | |
|----------------------------------|--------------|--------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Leasehold improvements - at cost | 1,183 | 1,429 |
| Less: Accumulated depreciation | (697) | (818) |
| | 486 | 611 |
| Fixtures and fittings - at cost | 379 | 390 |
| Less: Accumulated depreciation | (352) | (345) |
| | 27 | 45 |
| Office equipment - at cost | 3,418 | 2,700 |
| Less: Accumulated depreciation | (2,380) | (1,893) |
| | 1,038 | 807 |
| Work in progress - at cost | 3 | 21 |
| | 1,554 | 1,484 |

Reconciliations

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

| Consolidated | Leasehold improvements \$'000 | Fixtures and fittings \$'000 | Office equipment \$'000 | Work in progress \$'000 | Total \$'000 |
|-------------------------|-------------------------------------|------------------------------------|-------------------------------|-------------------------------|-----------------|
| Balance at 1 July 2020 | 636 | 203 | 864 | - | 1,703 |
| Additions | 468 | 1 | 442 | 21 | 932 |
| Disposals | (51) | (81) | (6) | - | (138) |
| Exchange differences | (7) | (7) | (13) | - | (27) |
| Depreciation expense | (435) | (71) | (480) | - | (986) |
| Balance at 30 June 2021 | 611 | 45 | 807 | 21 | 1,484 |
| Additions | 70 | 2 | 793 | - | 865 |
| Disposals | - | - | (2) | - | (2) |
| Exchange differences | 1 | - | - | - | 1 |
| Transfers in/(out) | - | - | 18 | (18) | - |
| Depreciation expense | (196) | (20) | (578) | - | (794) |
| Balance at 30 June 2022 | 486 | 27 | 1,038 | 3 | 1,554 |

Note 14. Non-current assets - right-of-use assets

| | Consolidated | |
|-----------------------------------|--------------|---------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Land and buildings - right-of-use | 15,418 | 15,420 |
| Less: Accumulated depreciation | (5,691) | (3,163) |
| | <hr/> | <hr/> |
| | 9,727 | 12,257 |
| | <hr/> | <hr/> |

The Group leases buildings for its offices under agreements of three years with, in some cases, options to extend. The leases have various escalation clauses.

Reconciliations

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

| Consolidated | Land and buildings \$'000 |
|-------------------------|------------------------------|
| Balance at 1 July 2020 | 14,859 |
| Remeasurement of leases | (21) |
| Exchange differences | (51) |
| Depreciation expense | <hr/> (2,530) |
| Balance at 30 June 2021 | 12,257 |
| Remeasurement of leases | 2 |
| Exchange differences | (2) |
| Depreciation expense | <hr/> (2,530) |
| Balance at 30 June 2022 | <hr/> 9,727 |

For other lease disclosures, refer to the following:

- note 6 for details of depreciation on right-of-use assets, interest on lease liabilities and other lease payments;
- note 20 and note 22 for lease liabilities at year end;
- note 27 for maturity analysis of lease liabilities; and
- statement of cash flows for repayment of lease liabilities.

Note 15. Non-current assets - intangibles

| | Consolidated | |
|---|---------------|---------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Goodwill - at cost | 632 | 632 |
| Less: Impairment | (632) | (632) |
| | <hr/> | <hr/> |
| Software - at cost | 932 | 932 |
| Less: Accumulated amortisation | (901) | (873) |
| Less: Impairment | (3) | (3) |
| | <hr/> | <hr/> |
| Capitalised development costs - at cost | 75,525 | 53,502 |
| Less: Accumulated amortisation | (37,014) | (22,900) |
| Less: Impairment | (627) | (627) |
| | <hr/> | <hr/> |
| | 37,884 | 29,975 |
| | <hr/> | <hr/> |
| | 37,912 | 30,031 |
| | <hr/> | <hr/> |

Reconciliations

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

| Consolidated | Goodwill \$'000 | Software \$'000 | Capitalised development costs \$'000 | Total \$'000 |
|-------------------------|--------------------|--------------------|---|-----------------|
| Balance at 1 July 2020 | 632 | 518 | 23,190 | 24,340 |
| Additions | - | 68 | 16,247 | 16,315 |
| Exchange differences | - | 2 | - | 2 |
| Impairment of assets | (632) | (5) | - | (637) |
| Amortisation expense | - | (527) | (9,462) | (9,989) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Balance at 30 June 2021 | - | 56 | 29,975 | 30,031 |
| Additions | - | - | 22,023 | 22,023 |
| Exchange differences | - | (1) | - | (1) |
| Amortisation expense | - | (27) | (14,114) | (14,141) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Balance at 30 June 2022 | - | 28 | 37,884 | 37,912 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Impairment testing

The carrying amount of goodwill from the acquisition of Globekey Systems Pty Ltd has been assessed and identified to have no value due to the deregistration of Globekey Systems Pty Ltd and has been impaired in full in the previous financial year.

Note 16. Current liabilities - trade and other payables

| | Consolidated | |
|------------------------------------|--------------|--------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Trade payables | 5,351 | 4,627 |
| GST, VAT and sales tax liabilities | - | 348 |
| Employment taxes payable | 3,417 | 1,773 |
| Other provisions | 4,346 | 4,852 |
| Accrued expenses | 5,044 | 2,697 |
| Other payables | 2,208 | 2,583 |
| | <hr/> | <hr/> |
| | 20,366 | 16,880 |

Refer to note 27 for further information on financial instruments.

Note 17. Current liabilities - contract liabilities

| | Consolidated | |
|----------------------|--------------|--------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Contract liabilities | 3,907 | 4,020 |

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$3,907,000 as at 30 June 2022 (2021: \$4,020,000) and is expected to be recognised within 1 year of the financial year end.

Note 18. Current liabilities - borrowings

| | Consolidated | |
|---|--------------|--------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Convertible preference shares financial liability | - | 65,941 |

Refer to note 27 for further information on financial instruments.

Note 18. Current liabilities - borrowings (continued)

Convertible preference shares financial liability

Each preference share confers on the holder of it all of the rights attaching to one fully paid ordinary share, and in addition confers the right to payment of a cumulative preferential dividend in priority to the payment of a dividend to any other class of shares, and to the repayment of capital on a trade sale and the winding up of the Group in priority to any other class of shares. Preference shares have been classified as a financial liability as contingent settlement condition exists which might require payment in cash and is outside of the Group's control.

On IPO, all preference shares were converted into ordinary shares on a one for one basis. This resulted in the balance of convertible preference shares financial liability converted to issued capital (net of transaction costs). Refer to note 24 for further information. The derivative financial liability was converted to embedded derivative conversion reserve (refer to note 19).

Note 19. Current liabilities - derivative financial instruments

| | Consolidated | 30 June 2022 | 30 June 2021 |
|---|--------------|--------------|--------------|
| | \$'000 | \$'000 | \$'000 |
| Derivative financial liability - at fair value through profit or loss | | - | 339,944 |

The derivative financial liability represents the changes in fair value of the convertible preference shares. On IPO, the derivative financial liability was derecognised on the conversion of preference shares. Refer to note 25 for further information on the conversion of preference shares.

Refer to note 27 for further information on financial instruments.

Refer to note 28 for further information on fair value measurement.

Note 20. Current liabilities - lease liabilities

| | Consolidated | 30 June 2022 | 30 June 2021 |
|-------------------|--------------|--------------|--------------|
| | \$'000 | \$'000 | \$'000 |
| Lease liabilities | | 2,717 | 1,653 |

Refer to note 22 and note 27 for further information on lease liabilities.

Note 21. Current liabilities - employee benefits

| | Consolidated | 30 June 2022 | 30 June 2021 |
|--------------------|--------------|--------------|--------------|
| | \$'000 | \$'000 | \$'000 |
| Annual leave | | 4,318 | 3,910 |
| Long service leave | | 723 | 630 |
| Employee benefits | | 2,024 | 2,138 |
| | | 7,065 | 6,678 |

Note 22. Non-current liabilities - lease liabilities

| | Consolidated | |
|---|---------------|---------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Lease liabilities | 9,913 | 12,629 |
| Refer to note 27 for further information on financial instruments. | | |
| <i>Reconciliation</i> | | |
| Reconciliation of the lease liabilities (current and non-current) at the beginning and end of the current financial year are set out below: | | |
| Opening balance | 14,282 | 16,778 |
| Remeasurement of leases | 2 | 10 |
| Terminations | - | (109) |
| Interest expense | 833 | 944 |
| Repayment of lease liabilities and interest expense | (2,475) | (3,241) |
| Rent relief | (10) | (10) |
| Exchange movements | (2) | (90) |
| Closing balance | <u>12,630</u> | <u>14,282</u> |
| Representing: | | |
| Lease liabilities (current) (note 20) | 2,717 | 1,653 |
| Lease liabilities (non-current) | 9,913 | 12,629 |
| | <u>12,630</u> | <u>14,282</u> |

Note 23. Non-current liabilities - employee benefits

| | Consolidated | |
|-------------------------|--------------|---------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Long service leave | 383 | 355 |
| Shadow equity liability | - | 10,957 |
| Cash tenure liability | 266 | - |
| Other | 22 | 7 |
| | <u>671</u> | <u>11,319</u> |

On IPO, majority of the shadow equity liability was settled. On 30th May, the shadow equity liability was converted to a cash tenure liability. Refer to note 38 for further information on the shadow equity liability.

Note 24. Equity - issued capital

| | Consolidated | | | |
|--|---------------------------|-------------------------|-----------------------|----------------------|
| | 30 June 2022 | 30 June 2021 | 30 June 2022 | 30 June 2021 |
| | Shares | Shares | \$'000 | \$'000 |
| Ordinary shares - fully paid | 271,793,707 | 2,522,692 | 258,679 | 1,721 |
| A class shares - fully paid | - | 776,012 | - | 51,698 |
| Management loan funded shares - fully paid | - | 518,354 | - | 32,281 |
| Management share loans | (12,508,677) | (515,495) | (24,665) | (32,156) |
| Treasury shares | <u>(1,294,291)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>257,990,739</u> | <u>3,301,563</u> | <u>234,014</u> | <u>53,544</u> |

Movements in ordinary share capital

| Details | Date | Shares | \$'000 |
|--|-------------------|---------------------------|-----------------------|
| Balance | 1 July 2020 | 2,522,692 | 1,721 |
| Balance | 30 June 2021 | 2,522,692 | 1,721 |
| Issue of shares | 16 September 2021 | <u>5,106</u> | <u>201</u> |
| Pre share split | | 2,527,798 | 1,922 |
| Share split* | 8 November 2021 | <u>98,584,122</u> | <u>-</u> |
| Post share split | | 101,111,920 | 1,922 |
| New shares issued to new shareholders under the primary offering | 8 November 2021 | 17,786,561 | 90,000 |
| Conversion from A class shares | 8 November 2021 | 35,808,640 | 71,540 |
| Conversion from Management loan funded shares | 8 November 2021 | 20,409,920 | 31,887 |
| New shares issued to prior preference share shareholders | 8 November 2021 | 94,242,760 | 66,475 |
| Issue of shares | 9 November 2021 | 322,320 | 316 |
| New shares issued on options exercised | 9 November 2021 | 9,873 | 34 |
| New shares issued on options exercised | 15 November 2021 | 330,891 | 353 |
| New shares issued on options exercised | 18 November 2021 | 174,840 | - |
| New shares issued on options exercised | 18 November 2021 | 45,075 | 156 |
| New shares issued on options exercised | 15 December 2021 | 19,959 | 50 |
| Issue of shares** | 15 December 2021 | 1,500,000 | - |
| Release of shares from treasury shares | 1 January 2022 | (263,649) | - |
| Exercise of performance rights from existing treasury shares | 1 January 2022 | 263,649 | - |
| New shares issued on options exercised | 29 March 2022 | 30,948 | 32 |
| Release of shares from treasury shares | 7 June 2022 | (20,000) | - |
| Exercise of options from existing treasury shares*** | 7 June 2022 | 20,000 | 70 |
| Share issue costs**** | | <u>-</u> | <u>(4,156)</u> |
| Balance of issued ordinary share capital | 30 June 2022 | 271,793,707 | 258,679 |
| Less: Treasury shares held | | <u>(1,294,291)</u> | <u>-</u> |
| Less: Management share loans | | <u>(12,508,677)</u> | <u>(24,665)</u> |
| Balance of ordinary share capital | 30 June 2022 | <u>257,990,739</u> | <u>234,014</u> |

* With effect immediately before the IPO on the 8th November 2021, the Group restructured its capital so that A class shares, management load funded shares and preference shares were converted to ordinary shares, followed by a share split on 1 to 40 basis.

** On 15 December 2021, 1,500,000 shares were issued by the Company to the Employee Share Trust. The shares were not acquired on market therefore no value has been prescribed.

*** In June 2022, 20,000 shares were released from the treasury shares with consideration of \$70,000 from the exercise of options. Refer to movement in treasury shares table below.

**** Share issue costs include \$3,622,000 for IPO and \$534,000 for preference shares.

Note 24. Equity - issued capital (continued)

Movement in A class shares

| Details | Date | Shares | \$'000 |
|-------------------------------|-------------------|---------------|---------------|
| Balance | 1 July 2020 | 776,012 | 51,698 |
| Balance | 30 June 2021 | 776,012 | 51,698 |
| Issue of shares | 16 September 2021 | 119,204 | 20,000 |
| Share issue costs | | - | (158) |
| Pre share split | | 895,216 | 71,540 |
| Share split | 8 November 2021 | 34,913,424 | - |
| Post share split | | 35,808,640 | 71,540 |
| Conversion to ordinary shares | 8 November 2021 | (35,808,640) | (71,540) |
| Balance | 30 June 2022 | - | - |

The shareholders deed has been terminated after the IPO. The termination of the shareholders deed resulted in the A class shares being converted into ordinary shares.

Movements in Management loan funded shares

| Details | Date | Shares | \$'000 |
|-------------------------------|-------------------|---------------|---------------|
| Balance | 1 July 2020 | 542,729 | 33,421 |
| Forfeiture of shares | 14 July 2020 | (4,000) | (157) |
| Forfeiture of shares | 23 November 2020 | (3,500) | (157) |
| Forfeiture of shares | 23 November 2020 | (4,500) | (177) |
| Forfeiture of shares | 15 February 2021 | (1,375) | (54) |
| Forfeiture of shares | 15 February 2021 | (2,750) | (177) |
| Forfeiture of shares | 15 February 2021 | (4,500) | (177) |
| Forfeiture of shares | 1 March 2021 | (3,750) | (241) |
| Balance | 30 June 2021 | 518,354 | 32,281 |
| Conversion to ordinary shares | 16 September 2021 | (5,106) | (201) |
| Forfeiture of shares | 29 September 2021 | (3,000) | (193) |
| Pre share split | | 510,248 | 31,887 |
| Share split | 8 November 2021 | 19,899,672 | - |
| Post share split | | 20,409,920 | 31,887 |
| Conversion to ordinary shares | 8 November 2021 | (20,409,920) | (31,887) |
| Balance | 30 June 2022 | - | - |

Forfeiture of shares represents shares cancelled for employees who have terminated their employment with the Group.

On IPO, management loan funded shares were converted into ordinary shares on a one for one basis.

Note 24. Equity - issued capital (continued)

Movements in Management share loans

| Details | Date | Shares | \$'000 |
|----------------------|-------------------|--------------|----------|
| Balance | 1 July 2020 | (539,870) | (33,325) |
| Forfeiture of shares | 14 July 2020 | 4,000 | 157 |
| Forfeiture of shares | 23 November 2020 | 3,500 | 157 |
| Forfeiture of shares | 23 November 2020 | 4,500 | 177 |
| Forfeiture of shares | 15 February 2021 | 1,375 | 54 |
| Forfeiture of shares | 15 February 2021 | 2,750 | 177 |
| Forfeiture of shares | 15 February 2021 | 4,500 | 177 |
| Forfeiture of shares | 1 March 2021 | 3,750 | 241 |
| Loan repayments | | - | 29 |
| | | | |
| Balance | 30 June 2021 | (515,495) | (32,156) |
| Loan repayments | 16 September 2021 | 5,106 | 201 |
| Forfeiture of shares | 29 September 2021 | 3,000 | 193 |
| | | | |
| Pre share split | | (507,389) | (31,762) |
| Share split | 8 November 2021 | (19,788,171) | - |
| | | | |
| Post share split | | (20,295,560) | (31,762) |
| Forfeiture of shares | 19 April 2022 | 77,940 | 124 |
| Loan repayments* | | 7,708,943 | 6,973 |
| | | | |
| Balance | 30 June 2022 | (12,508,677) | (24,665) |

* Management share loans were repaid in the current financial year.

The management loan consists of:

| | \$'000 |
|---|---------------|
| Unpaid loans for vested employee shares | 19,935 |
| Unpaid loans for unvested employee shares (in escrow) | 4,730 |
| | <u>24,665</u> |

Movements in Treasury shares

| Details | Date | Shares | \$'000 |
|---|------------------|-------------|--------|
| Balance | 1 July 2021 | - | - |
| Treasury shares issued | 15 December 2021 | (1,500,000) | - |
| | | | |
| Treasury shares released (performance rights exercised) | 1 January 2022 | 263,649 | - |
| Conversion from Management loan funded shares to Treasury | 19 April 2022 | (77,940) | - |
| Shares | | 20,000 | - |
| Treasury shares released (options exercised) | 7 June 2022 | | |
| | | | |
| Balance | 30 June 2022 | (1,294,291) | - |

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 24. Equity - issued capital (continued)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

A class shares

A class shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held, with priority over ordinary shareholders.

A class shares do not have any voting rights. On 8th November 2021, all A class shares were converted to ordinary shares.

Management loan funded shares

Management loan funded shares confer no voting rights, however they carry the right to dividends. These shares were provided with a non-recourse interest free loan by the Group to purchase those shares. The loan to management for the shares issue has been deducted from equity (management share loans) as the scheme is treated as an in-substance share options.

Treasury shares

Treasury shares are ordinary shares issued to employee share trust to satisfy future exercises that occur in the SiteMinder Equity Performance Rights Plan and SiteMinder Options Plan. Ordinary shares will be released from employee share trust and provided to permanent staff members at the time of satisfying time vesting conditions of up to 3 years.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

Note 25. Equity - reserves

| | Consolidated | |
|---|---------------------|---------------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Foreign currency translation reserve | (2,892) | (1,405) |
| Share-based payments reserve (net of tax) | 19,923 | 9,063 |
| Share buy-back reserve | (6,399) | (6,399) |
| Financial assets at fair value reserve | 3,249 | 2,350 |
| Embedded derivative conversion reserve | 422,256 | 20,553 |
| | <hr/> | <hr/> |
| | 436,137 | 24,162 |
| | <hr/> | <hr/> |

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 25. Equity - reserves (continued)

Share buy-back reserve

The reserve is used to recognise contributions made by the Company to buy-back issued capital.

Financial assets at fair value reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Embedded derivative conversion reserve

The embedded derivative conversion reserve represents the excess of the derivative fair value on conversion over the preference share capital initially contributed.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

| Consolidated | Foreign currency translation reserve \$'000 | Share-based payment reserve \$'000 | Share buy-back reserve \$'000 | Financial assets at fair value reserve \$'000 | Embedded derivative conversion reserve \$'000 | Total \$'000 |
|---|--|---------------------------------------|----------------------------------|--|--|-----------------|
| Balance at 1 July 2020 | (3,080) | 5,759 | (6,399) | 2,145 | 20,553 | 18,978 |
| Foreign currency translation | 1,675 | - | - | - | - | 1,675 |
| Share-based payments | - | 3,304 | - | - | - | 3,304 |
| Gain on the revaluation of financial assets | - | - | - | 205 | - | 205 |
| Balance at 30 June 2021 | (1,405) | 9,063 | (6,399) | 2,350 | 20,553 | 24,162 |
| Foreign currency translation | (1,487) | - | - | - | - | (1,487) |
| Share-based payments | - | 11,398 | - | - | - | 11,398 |
| Gain on the revaluation of financial assets | - | - | - | 899 | - | 899 |
| Conversion of preference shares | - | - | - | - | 401,703 | 401,703 |
| New shares issued on options exercised | - | (538) | - | - | - | (538) |
| Balance at 30 June 2022 | <u>(2,892)</u> | <u>19,923</u> | <u>(6,399)</u> | <u>3,249</u> | <u>422,256</u> | <u>436,137</u> |

Note 26. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 27. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Audit and Risk Committee, a sub-committee of the Board, has responsibility for managing risk. The Committee reports to the Board on its activities.

Note 27. Financial instruments (continued)

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's foreign exchange risk is managed to ensure sufficient funds are available to meet foreign currency commitments in a timely and cost-effective manner. The Group will continually monitor this risk and consider entering into forward foreign exchange, foreign currency swap and foreign currency option contracts if appropriate.

Creditors and debtors were reviewed to assess currency risk at year end. The value of transactions denominated in a currency other than the functional currency of the respective subsidiary was insignificant and therefore the risk was determined as immaterial.

The carrying amount of the Group's foreign currency denominated cash balances at the reporting date were as follows:

| Consolidated | Assets | | Liabilities | |
|---------------------|------------------------|------------------------|------------------------|------------------------|
| | 30 June 2022 \$'000 | 30 June 2021 \$'000 | 30 June 2022 \$'000 | 30 June 2021 \$'000 |
| Canadian dollar | 134 | 72 | - | - |
| Euro | 6,590 | 4,942 | 218 | 95 |
| Great British pound | - | - | 26 | 30 |
| Indonesian rupiah | 53 | 10 | - | - |
| Malaysian ringgit | 42 | - | - | - |
| Mexican peso | 26 | - | - | - |
| New Zealand dollar | 1,055 | 757 | - | - |
| Philippine peso | - | - | 350 | - |
| Thai baht | 173 | 5 | - | - |
| US dollar | 2,006 | 4,510 | 843 | 1,998 |
| | 10,079 | 10,296 | 1,437 | 2,123 |

Note 27. Financial instruments (continued)

Sensitivity analysis

Based on the Group's foreign exchange exposure, had the Australian dollar weakened by 10%/strengthened by 10% against these foreign currencies with all other variables held constant, the Group's loss before tax for the year would have been impacted as follows:

| Consolidated - 30 June 2022 | % change | AUD strengthened | | AUD weakened | |
|-----------------------------|----------|---------------------------------|---------------------|---------------------------------|---------------------|
| | | Effect on loss before tax | Effect on equity | Effect on loss before tax | Effect on equity |
| Canadian dollar | 10% | (12) | - | 10% | 15 |
| Euro | 10% | (579) | - | 10% | 708 |
| Great British pound | 10% | 2 | - | 10% | (3) |
| Indonesian rupiah | 10% | (5) | - | 10% | 6 |
| Malaysian ringgit | 10% | (4) | - | 10% | 5 |
| Mexican peso | 10% | (2) | - | 10% | 3 |
| New Zealand dollar | 10% | (96) | - | 10% | 117 |
| Philippine peso | 10% | 32 | - | 10% | (39) |
| Thai baht | 10% | (16) | - | 10% | 19 |
| US dollar | 10% | (106) | - | 10% | 129 |
| | | <u>(786)</u> | <u>-</u> | <u>960</u> | <u>-</u> |

| Consolidated - 30 June 2021 | % change | AUD strengthened | | AUD weakened | |
|-----------------------------|----------|---------------------------------|---------------------|---------------------------------|---------------------|
| | | Effect on loss before tax | Effect on equity | Effect on loss before tax | Effect on equity |
| Canadian dollar | 10% | (7) | - | 10% | 8 |
| Euro | 10% | (441) | - | 10% | 538 |
| Great British pound | 10% | 3 | - | 10% | (3) |
| Indonesian rupiah | 10% | (1) | - | 10% | 1 |
| New Zealand dollar | 10% | (69) | - | 10% | 84 |
| Thai baht | 10% | - | - | 10% | 1 |
| US dollar | 10% | (228) | - | 10% | 279 |
| | | <u>(743)</u> | <u>-</u> | <u>908</u> | <u>-</u> |

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is 100% funded by equity, therefore is not exposed to any significant interest rate risk. The Group has a credit facility of US\$20,000,000 from Silicon Valley Bank available to it. The undrawn portion of the credit facility is subject to fixed interest rates. If the Group withdraws from the credit facility, then the Group may be subject to interest rate risk in the current environment with rising interest rates.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any expected credit losses on those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

Note 27. Financial instruments (continued)

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These expected credit losses are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

The Group does not have any significant credit risk exposure to any single customer. The carrying amount of financial assets recorded in the statement of financial position, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Credit facilities

The Group has a credit facility of US\$20,000,000 (2021: US\$20,000,000) from Silicon Valley Bank available to it. As at 30 June 2022, and up to the date of signing of this report, the facility is undrawn.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

| Consolidated - 30 June 2022 | Weighted average interest rate % | Remaining contractual maturities \$'000 | | | |
|--------------------------------------|---|--|------------------------------------|------------------------------------|--|
| | | 1 year or less \$'000 | Between 1 and 2 years \$'000 | Between 2 and 5 years \$'000 | |
| Non-derivatives | | | | | |
| <i>Non-interest bearing</i> | | | | | |
| Trade payables | - | 5,351 | - | - | |
| Other payables | - | 2,208 | - | - | |
| <i>Interest-bearing - fixed rate</i> | | | | | |
| Lease liabilities | 6.25% | 3,410 | 3,462 | 7,398 | |
| Total non-derivatives | | 10,969 | 3,462 | 7,398 | |
| | | | | | |
| 2,208 | | | | | |
| 14,270 | | | | | |
| 21,829 | | | | | |

Note 27. Financial instruments (continued)

| Consolidated - 30 June 2021 | Weighted average interest rate % | 1 year or less \$'000 | | Between 1 and 2 years \$'000 | Between 2 and 5 years \$'000 | Over 5 years \$'000 | Remaining contractual maturities \$'000 | | |
|--|---|--------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------|--|--|--|
| | | 1 year or less \$'000 | Between 1 and 2 years \$'000 | Between 2 and 5 years \$'000 | Over 5 years \$'000 | | | | |
| Non-derivatives | | | | | | | | | |
| <i>Non-interest bearing</i> | | | | | | | | | |
| Trade payables | - | 4,627 | - | - | - | - | 4,627 | | |
| Other payables | - | 2,583 | - | - | - | - | 2,583 | | |
| Convertible preference shares financial liability* | - | 65,941 | - | - | - | - | 65,941 | | |
| <i>Interest-bearing - fixed rate</i> | | | | | | | | | |
| Lease liabilities | 6.25% | 2,524 | 3,440 | 10,859 | - | - | 16,823 | | |
| Total non-derivatives | | 75,675 | 3,440 | 10,859 | - | - | 89,974 | | |
| Derivatives | | | | | | | | | |
| Derivative financial liability - at fair value through profit or loss* | - | 339,944 | - | - | - | - | 339,944 | | |
| Total derivatives | | 339,944 | - | - | - | - | 339,944 | | |

* The preference share financial liabilities represents both the embedded derivative and the debt host contract.

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 28. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

| Consolidated - 30 June 2022 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|---|-------------------|-------------------|-------------------|-----------------|
| | | | | |
| Assets | | | | |
| Investment at fair value through other comprehensive income | - | - | 3,333 | 3,333 |
| Total assets | - | - | 3,333 | 3,333 |
| Consolidated - 30 June 2021 | | | | |
| Assets | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
| | | | | |
| Investment at fair value through other comprehensive income | - | - | 2,434 | 2,434 |
| Total assets | - | - | 2,434 | 2,434 |
| Liabilities | | | | |
| Derivative liability - preference share conversion feature | - | - | 339,944 | 339,944 |
| Total liabilities | - | - | 339,944 | 339,944 |

There were no transfers between levels during the financial year.

Note 28. Fair value measurement (continued)

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3
 Unquoted investments have been valued using a discounted cash flow model.

Derivative financial instruments have been valued using a discounted cash flow methodology cross checked against an implied revenue multiple to ascertain the value of the equity of the Group and then input into an options pricing black scholes model to calculate its value. Key inputs include a volatility assumption and time to a liquidity event.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

| Consolidated | Investment \$'000 | Derivative liability \$'000 | Total \$'000 |
|--|------------------------------|--|-------------------------|
| Balance at 1 July 2020 | 2,229 | (243,631) | (241,402) |
| Losses recognised in profit or loss | - | (96,313) | (96,313) |
| Gains recognised in other comprehensive income | 205 | - | 205 |
| | | | |
| Balance at 30 June 2021 | 2,434 | (339,944) | (337,510) |
| Losses recognised in profit or loss | - | (61,759) | (61,759) |
| Conversion of preference shares (note 25) | - | 401,703 | 401,703 |
| Gains recognised in other comprehensive income | 899 | - | 899 |
| | | | |
| Balance at 30 June 2022 | <u>3,333</u> | <u>-</u> | <u>3,333</u> |

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company, and unrelated firms:

| | Consolidated | |
|---|--------------------------------|--------------------------------|
| | 30 June 2022 \$'000 | 30 June 2021 \$'000 |
| <i>Audit services - Deloitte Touche Tohmatsu</i> | | |
| Half-year review of the financial statements | 189,000 | - |
| Full year audit of the financial statements | 250,000 | 141,000 |
| | <u>439,000</u> | <u>141,000</u> |
| <i>Other services - Deloitte Touche Tohmatsu</i> | | |
| Investigating Accountants Report and other related services with respect to the IPO | 974,005 | - |
| Taxation advisory and compliance service | 26,750 | 26,234 |
| | <u>1,000,755</u> | <u>26,234</u> |
| | <u>1,439,755</u> | <u>167,234</u> |

Note 29. Remuneration of auditors (continued)

Audit services - unrelated firms

| | | |
|---|--------|--------|
| Audit or review of the financial statements | 86,023 | 85,458 |
|---|--------|--------|

Other services - unrelated firms

| | | |
|-----------------|------------------|----------------|
| Other services* | 1,117,515 | 136,677 |
| | <u>1,203,538</u> | <u>222,135</u> |

* Other services include taxation advisory and compliance service, and IPO advisory services.

Note 30. Earnings per share

Consolidated
30 June 2022 30 June 2021
\$'000 \$'000

| | | |
|-----------------------|-----------|-----------|
| Loss after income tax | (110,395) | (121,770) |
|-----------------------|-----------|-----------|

Number Number

| | | |
|---|-------------|-------------|
| Weighted average number of ordinary shares used in calculating basic earnings per share | 201,863,041 | 132,062,520 |
|---|-------------|-------------|

| | | |
|---|-------------|-------------|
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 201,863,041 | 132,062,520 |
|---|-------------|-------------|

\$ \$

| | | |
|-----------------------------------|--------|--------|
| Basic (loss)/earnings per share | (0.55) | (0.92) |
| Diluted (loss)/earnings per share | (0.55) | (0.92) |

Share options, unpaid management loan funded shares and preference shares have been excluded from the above calculation as they were anti-dilutive.

30 June 2021 weighted average number of ordinary shares have been adjusted to reflect 1:40 share split in November 2021 for comparison purpose.

Note 31. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

Consolidated
30 June 2022 30 June 2021
\$ \$

| | | |
|------------------------------|-----------|-----------|
| Short-term employee benefits | 2,123,438 | 1,474,250 |
|------------------------------|-----------|-----------|

| | | |
|--------------------|--------|--------|
| Long-term benefits | 95,709 | 65,083 |
|--------------------|--------|--------|

| | | |
|----------------------|---------|-----------|
| Share-based payments | 950,958 | 1,326,293 |
|----------------------|---------|-----------|

| | | |
|--|------------------|------------------|
| | <u>3,170,105</u> | <u>2,865,626</u> |
|--|------------------|------------------|

Note 32. Related party transactions

Parent entity

SiteMinder Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 34.

Key management personnel

Disclosures relating to key management personnel are set out in note 31 and the remuneration report included in the directors' report.

Transactions with related parties

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

During the current financial year, the Company forgave an intercompany loan with SiteMinder Distribution Limited, for which there is no impact to the consolidated group results.

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

| | Parent | |
|---|---------------------|---------------------|
| | 30 June 2022 | 30 June 2021 |
| | \$'000 | \$'000 |
| Loss after income tax | (140,156) | (120,893) |
| Other comprehensive income for the year, net of tax | - | - |
| Total comprehensive loss | (140,156) | (120,893) |

Note 33. Parent entity information (continued)

Statement of financial position

| | Parent | |
|---------------------------------|------------------------|------------------------|
| | 30 June 2022 \$'000 | 30 June 2021 \$'000 |
| Total current assets | 81,452 | 25,229 |
| Total non-current assets | 56,381 | 72,641 |
| Total assets | 137,833 | 97,870 |
| Total current liabilities | 24,390 | 424,853 |
| Total non-current liabilities | 10,727 | 23,989 |
| Total liabilities | 35,117 | 448,842 |
| Net assets/(liabilities) | 102,716 | (350,972) |
| Equity | | |
| Issued capital | 234,014 | 53,544 |
| Reserves | 439,497 | 26,036 |
| Accumulated losses | (570,795) | (430,552) |
| Total equity/(deficiency) | 102,716 | (350,972) |

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Loans to/from related parties

During the current financial year, the Company forgave an intercompany loan with SiteMinder Distribution Limited, for which there is no impact to the consolidated group results.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

| Name | Principal place of business / Country of incorporation | Ownership interest | |
|-------------------------------------|---|--------------------|----------------|
| | | 30 June 2022 % | 30 June 2021 % |
| SiteMinder Distribution Limited | United Kingdom | 100% | 100% |
| SiteMinder Hospitality Corporation | United States of America | 100% | 100% |
| SiteMinder Pay Pty Ltd | Australia | 100% | 100% |
| Online Ventures Hospitality Limited | Ireland | 100% | 100% |
| Online Ventures Limited | New Zealand | 100% | 100% |
| Online Ventures (Thailand) Limited | Thailand | 100% | 100% |
| SiteMinder (India) Private Limited | India | 100% | 100% |
| SiteMinder Philippines, Inc.* | Philippines | 100% | - |
| SiteMinder Germany GMBH** | Germany | 100% | - |

* Incorporated on 6 June 2022.

** Incorporated on 27 June 2022.

There is no significant restriction on the ability of the Group to access or use subsidiaries' assets and settle liabilities.

Note 35. Reconciliation of loss after income tax to net cash (used in)/provided by operating activities

| | Consolidated | |
|--|------------------------|------------------------|
| | 30 June 2022 \$'000 | 30 June 2021 \$'000 |
| Loss after income tax expense for the year | (110,395) | (121,770) |
| Adjustments for: | | |
| Depreciation and amortisation | 17,465 | 13,505 |
| Impairment of non-current assets | - | 637 |
| Net gain on disposal of non-current assets | (19) | (5) |
| Share-based payments | 11,359 | 3,304 |
| Foreign exchange differences | (1,031) | 1,127 |
| Net allowance for expected credit losses | 1,575 | 1,628 |
| Interest income received | (125) | (151) |
| Rent relief | (10) | (10) |
| Lease remeasurements | 2 | 10 |
| Net fair value movement on embedded derivative | 61,759 | 96,313 |
| Lease surrendering | - | (109) |
| Change in operating assets and liabilities: | | |
| Increase in trade receivables, other receivables and contract assets | (3,174) | (1,549) |
| Increase in prepayments | (1,179) | - |
| Increase in deferred tax assets | (35) | - |
| Decrease in income tax refund due | 3 | 65 |
| Increase in trade and other payables | 1,902 | 2,403 |
| (Decrease)/increase in provision for income tax | (22) | 25 |
| (Decrease)/increase in deferred tax liabilities | (42) | 2 |
| (Decrease)/increase in employee benefits | (7,190) | 8,149 |
| Decrease in contract liabilities | (1,091) | (1,049) |
| Increase in other liabilities | (257) | 8 |
| Net cash (used in)/provided by operating activities | <u>(30,505)</u> | <u>2,533</u> |

Note 36. Non-cash investing and financing activities

| | Consolidated | 30 June 2022 | 30 June 2021 |
|--|---------------------|---------------------|---------------------|
| | \$'000 | \$'000 | \$'000 |
| Leasehold improvements - lease make good | | - | 294 |
| Shares issued under employee share plan | | 9,596 | 3,304 |
| Gain on revaluation of financial assets | | 899 | 205 |
| Fair value loss on embedded derivative | | (61,759) | (96,313) |
| | | (51,264) | (92,510) |

Note 37. Changes in liabilities arising from financing activities

| Consolidated | Convertible preference shares financial liability \$'000 | Lease liabilities \$'000 | Derivative liabilities \$'000 | Total \$'000 |
|---------------------------------------|---|--------------------------------|-------------------------------------|-----------------|
| Balance at 1 July 2020 | 65,941 | 16,778 | 243,631 | 326,350 |
| Net cash used in financing activities | - | (2,297) | - | (2,297) |
| Exchange differences | - | (90) | - | (90) |
| Other changes | - | (109) | 96,313 | 96,204 |
| Balance at 30 June 2021 | 65,941 | 14,282 | 339,944 | 420,167 |
| Net cash used in financing activities | - | (1,642) | - | (1,642) |
| Exchange differences | - | (2) | - | (2) |
| Other changes* | (65,941) | (8) | (339,944) | (405,893) |
| Balance at 30 June 2022 | - | 12,630 | - | 12,630 |

* Other changes for convertible preference shares financial liability and derivative liabilities represent non-cash settlement of preference shares.

Note 38. Share-based payments

SiteMinder Shadow Equity Plan

The Board of Directors of the Group established the SiteMinder Shadow Equity Plan for the purpose of providing staff with an opportunity to share in the growth in value of the Company and to incentivise staff to further engage in the improvement of the Group's performance. The Plan provides for a cash bonus to be paid to permanent staff members at the time of a liquidity event, such as trade sale or initial public offering ('realisation event'), depending on the satisfaction of time vesting conditions which vary between 0 to 3 years. The plan is considered to be a cash settled share-based payment plan. The liability component of the cash-settled share-based payment plan is included in employee benefits (refer to note 23).

On 8 November 2021, the Company completed an IPO. The vested portion of Shadow Equity Plan has been paid out as cash bonus. The unvested portion has been converted to performance rights if applicable and ordinary shares will be provided at the time of employee satisfying time vesting conditions. For employees based in countries where performance rights are not applicable, they will continue to be paid a cash bonus upon satisfying time vesting conditions.

On 30 May 2022, the Shadow Equity Plan was terminated and replaced with a cash tenure bonus at a fixed dollar value based on a percentage of annual salary and not linked to the share price. The share-based payment expense is disclosed in note 6.

Note 38. Share-based payments (continued)

SiteMinder Option Plan

An option plan has been established by the Group and approved by the Board of Directors, whereby the Group may, at the discretion of the Board of Directors, grant options over ordinary shares in the Company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board of Directors. The options are convertible to ordinary shares on the satisfaction of time vesting conditions which vary between 3 to 4 years.

The Group has undertaken a share split on a ratio of 40 for 1 during the IPO process. The beginning balance has been adjusted to reflect the share split for comparison.

Set out below are summary of options granted under the plan:

| 30 June 2022 | Grant date | Exercise price | Balance at the start of the year pre share split | Balance adjusted for share split (1:40) | Granted | Exercised | Expired/forfeited/other | Balance at the end of the year |
|---------------------------------|------------|----------------|--|---|-----------|-------------|-------------------------|--------------------------------|
| | 11/10/2016 | \$0.98 | 8,058 | 322,320 | - | (322,320) | - | - |
| | 01/09/2018 | \$1.61 | 3,000 | 120,000 | - | (120,000) | - | - |
| | 18/12/2018 | \$1.61 | 3,500 | 140,000 | - | (140,000) | - | - |
| | 25/01/2019 | \$1.61 | 2,500 | 100,000 | - | (100,000) | - | - |
| | 03/06/2019 | \$1.61 | 25,000 | 1,000,000 | - | - | - | 1,000,000 |
| | 28/06/2019 | \$0.34 | 4,371 | 174,840 | - | (174,840) | - | - |
| | 21/08/2019 | \$1.61 | 14,218 | 568,720 | - | (284,360) | - | 284,360 |
| | 01/07/2020 | \$3.45 | 47,000 | 1,880,000 | - | (130,000) | (60,000) | 1,690,000 |
| | 02/08/2021 | \$4.19 | - | 720,000 | - | - | - | 720,000 |
| | 08/11/2021 | \$5.57 | - | 1,735,837 | - | (37,182) | 1,698,655 | |
| | 08/11/2021 | \$6.69 | - | 409,625 | - | (45,352) | 364,273 | |
| | 08/11/2021 | \$7.70 | - | 487,126 | - | (53,933) | 433,193 | |
| | 14/04/2022 | \$6.48 | - | 9,844 | - | - | - | 9,844 |
| | 14/04/2022 | \$7.79 | - | 11,932 | - | - | - | 11,932 |
| | 14/04/2022 | \$8.96 | - | 13,983 | - | - | - | 13,983 |
| | | | 107,647 | 4,305,880 | 3,388,347 | (1,271,520) | (196,467) | 6,226,240 |
| Weighted average exercise price | | | | \$2.31 | \$2.31 | \$5.74 | \$1.46 | \$5.77 |
| | | | | | | | | \$4.24 |

The options chosen to be exercised (excluding the options granted on 11/10/2016) have been satisfied on a net settlement basis. This has resulted into a conversion to 704,986 ordinary shares.

30 June 2021*

| 30 June 2021* | Grant date | Exercise price | Balance at the start of the year pre share split | Balance adjusted for share split (1:40)* | Granted | Exercised | Expired/forfeited/other | Balance at the end of the year |
|---------------------------------|------------|----------------|--|--|-----------|-----------|-------------------------|--------------------------------|
| | 11/10/2016 | \$0.98 | 8,058 | 322,320 | - | - | - | 322,320 |
| | 01/09/2018 | \$1.61 | 3,000 | 120,000 | - | - | - | 120,000 |
| | 18/12/2018 | \$1.61 | 3,500 | 140,000 | - | - | - | 140,000 |
| | 25/01/2019 | \$1.61 | 2,500 | 100,000 | - | - | - | 100,000 |
| | 03/06/2019 | \$1.61 | 25,000 | 1,000,000 | - | - | - | 1,000,000 |
| | 28/06/2019 | \$0.34 | 4,371 | 174,840 | - | - | - | 174,840 |
| | 21/08/2019 | \$1.61 | 14,218 | 568,720 | - | - | - | 568,720 |
| | 31/01/2020 | \$3.45 | 4,000 | 160,000 | - | (160,000) | - | - |
| | 01/07/2020 | \$3.45 | - | - | 1,880,000 | - | - | 1,880,000 |
| | | | 64,647 | 2,585,880 | 1,880,000 | - | (160,000) | 4,305,880 |
| Weighted average exercise price | | | | \$1.56 | \$1.56 | \$3.45 | \$0.00 | \$3.45 |
| | | | | | | | | \$2.31 |

Note 38. Share-based payments (continued)

* 2021 number of options have been adjusted to reflect 1:40 share split in November 2021 for comparison purposes.

Set out below are the number of options exercisable at the end of the financial year:

| Grant date | 30 June 2022 Number | 30 June 2021 Number |
|------------|------------------------|------------------------|
| 11/10/2016 | - | 322,320 |
| 01/09/2018 | - | 60,000 |
| 18/12/2018 | - | 70,000 |
| 25/01/2019 | - | 50,000 |
| 03/06/2019 | 750,000 | 500,000 |
| 28/06/2019 | - | 87,440 |
| 21/08/2019 | - | 142,200 |
| 01/07/2020 | 340,000 | 470,000 |
| | 1,090,000 | 1,701,960 |

The weighted average share price during the financial year was \$5.46 (2021: n/a).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.46 years (2021: 2.63 years).

Equity Performance Rights

The Board of Directors of the Group established the SiteMinder Equity Performance Rights Plan for the purpose of providing staff with an opportunity to share in the growth in value of the Company and to incentivise staff to further engage in the improvement of the Group's performance. The Plan provides for Ordinary shares to be paid to permanent staff members at the time of satisfying time vesting conditions of up to 3 years.

| Grant date | Exercise price | Balance at the start of the year | Granted | Vested and exercised | Expired/forfeited/other | Balance at the end of the year |
|------------|----------------|----------------------------------|------------------|----------------------|-------------------------|--------------------------------|
| 08/11/2021 | \$0.00 | - | 3,165,375 | (277,770) | (376,656) | 2,510,949 |
| 01/01/2022 | \$0.00 | - | 47,583 | - | - | 47,583 |
| 01/02/2022 | \$0.00 | - | 232,857 | - | (46,547) | 186,310 |
| 14/04/2022 | \$0.00 | - | 1,917 | - | - | 1,917 |
| 10/05/2022 | \$0.00 | - | 917,672 | - | (29,823) | 887,849 |
| | | - | 4,365,404 | (277,770) | (453,026) | 3,634,608 |

No equity performance rights are exercisable at 30 June 2022 (30 June 2021: n/a).

The weighted average remaining contractual life of equity performance rights outstanding at the end of the financial year was 1.4 years (2021: n/a).

Management loan funded share plan

A management loan funded share plan has been established by the Group and approved by the Board of Directors, whereby the Group may, at the discretion of the Board of Directors, grant management loan funded shares in the Company to certain key management personnel of the Group in accordance with performance guidelines established by the Board of Directors. The shares are provided with a non-recourse interest free loan by the Group to purchase those shares. The shares are released from treasury stock and treated as fully paid up shares if the loan to the Company has been repaid and subject to satisfying any time vesting conditions.

Set out below are summary of the management loan funded share plan:

Note 38. Share-based payments (continued)

30 June 2022

| | Exercise price | Balance at the start of the year pre share split | Balance adjusted for share split (1:40) | Granted | Converted | Expired/forfeited/other | Balance at the end of the year |
|------------|----------------|--|---|----------|---------------------|-------------------------|--------------------------------|
| 23/04/2013 | \$0.20 | 50,970 | 2,038,800 | - | (2,038,800) | - | - |
| 11/04/2014 | \$0.61 | 9,349 | 373,960 | - | (373,960) | - | - |
| 18/11/2014 | \$0.73 | 29,401 | 1,176,040 | - | (1,176,040) | - | - |
| 08/05/2017 | \$0.98 | 62,970 | 2,518,800 | - | (2,518,800) | - | - |
| 16/10/2017 | \$0.98 | 21,375 | 855,000 | - | (855,000) | - | - |
| 13/02/2018 | \$1.61 | 17,206 | 688,240 | - | (688,240) | - | - |
| 25/02/2018 | \$1.61 | 22,941 | 917,640 | - | (917,640) | - | - |
| 09/08/2018 | \$0.98 | 28,076 | 1,123,040 | - | (1,123,040) | - | - |
| 01/11/2018 | \$1.61 | 25,809 | 1,032,360 | - | (1,032,360) | - | - |
| 06/12/2018 | \$1.61 | 28,677 | 1,147,080 | - | (1,147,080) | - | - |
| 07/01/2019 | \$1.61 | 118,255 | 4,730,200 | - | (4,730,200) | - | - |
| 07/01/2019 | \$4.23 | 59,128 | 2,365,120 | - | (2,365,120) | - | - |
| 25/01/2019 | \$1.61 | 31,338 | 1,253,520 | - | (1,133,520) | (120,000) | - |
| 15/02/2019 | \$1.61 | 10,000 | 400,000 | - | (400,000) | - | - |
| 19/06/2019 | \$0.98 | 2,859 | 114,360 | - | (114,360) | - | - |
| | | <u>518,354</u> | <u>20,734,160</u> | <u>-</u> | <u>(20,614,160)</u> | <u>(120,000)</u> | <u>-</u> |

Weighted average exercise price

\$1.56 \$1.56 \$0.00 \$1.56 \$1.61 \$0.00

30 June 2021

| Grant date | Exercise price | Balance at the start of the year pre share split | Balance adjusted for share split (1:40)* | Granted | Exercised | Expired/forfeited/other | Balance at the end of the year |
|------------|----------------|--|--|----------|-----------|-------------------------|--------------------------------|
| 23/04/2013 | \$0.20 | 50,970 | 2,038,800 | - | - | - | 2,038,800 |
| 11/04/2014 | \$0.61 | 9,349 | 373,960 | - | - | - | 373,960 |
| 18/11/2014 | \$0.73 | 29,401 | 1,176,040 | - | - | - | 1,176,040 |
| 08/05/2017 | \$0.98 | 67,470 | 2,698,800 | - | - | (180,000) | 2,518,800 |
| 16/10/2017 | \$0.98 | 34,000 | 1,360,000 | - | - | (505,000) | 855,000 |
| 13/02/2018 | \$1.61 | 17,206 | 688,240 | - | - | - | 688,240 |
| 25/02/2018 | \$1.61 | 22,941 | 917,640 | - | - | - | 917,640 |
| 09/08/2018 | \$0.98 | 28,076 | 1,123,040 | - | - | - | 1,123,040 |
| 01/11/2018 | \$1.61 | 25,809 | 1,032,360 | - | - | - | 1,032,360 |
| 06/12/2018 | \$1.61 | 28,677 | 1,147,080 | - | - | - | 1,147,080 |
| 07/01/2019 | \$1.61 | 118,255 | 4,730,200 | - | - | - | 4,730,200 |
| 07/01/2019 | \$4.23 | 59,128 | 2,365,120 | - | - | - | 2,365,120 |
| 25/01/2019 | \$1.61 | 38,588 | 1,543,520 | - | - | (290,000) | 1,253,520 |
| 15/02/2019 | \$1.61 | 10,000 | 400,000 | - | - | - | 400,000 |
| 19/06/2019 | \$0.98 | 2,859 | 114,360 | - | - | - | 114,360 |
| | | <u>542,729</u> | <u>21,709,160</u> | <u>-</u> | <u>-</u> | <u>(975,000)</u> | <u>20,734,160</u> |

Weighted average exercise price

\$1.54 \$1.54 \$0.00 \$0.00 \$1.17 \$1.56

* 2021 number of options have been adjusted to reflect 1:40 share split in November 2021 for comparison purposes.

Note 38. Share-based payments (continued)

Set out below are the number of management loan funded shares exercisable at the end of the financial year:

| Grant date | 30 June 2022 Number | 30 June 2021 Number |
|------------|------------------------|------------------------|
| 06/12/2018 | - | 14,339 |
| 07/01/2019 | - | 88,692 |
| 25/01/2019 | - | 6,647 |
| | | <u>109,678</u> |

The weighted average remaining contractual life of management loan funded share plan outstanding at the end of the financial year was nil years (2021: 0.81 years).

For the options and management loan funded shares granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Risk-free interest rate | Fair value at grant date |
|------------|-------------|------------------------------|-------------------|------------------------|----------------------------|-----------------------------|
| 08/11/2021 | 08/11/2025 | \$5.06 | \$5.57 | 47.50% | 0.48% | \$1.61 |
| 08/11/2021 | 08/11/2025 | \$5.06 | \$6.69 | 47.50% | 0.48% | \$1.32 |
| 08/11/2021 | 08/11/2025 | \$5.06 | \$7.70 | 47.50% | 0.48% | \$1.11 |
| 14/04/2022 | 14/04/2026 | \$5.89 | \$6.48 | 47.50% | 1.21% | \$1.92 |
| 14/04/2022 | 14/04/2026 | \$5.89 | \$7.79 | 47.50% | 1.21% | \$1.58 |
| 14/04/2022 | 14/04/2026 | \$5.89 | \$8.96 | 47.50% | 1.21% | \$1.34 |

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|------------|-------------|------------------------------|-------------------|------------------------|-------------------|----------------------------|-----------------------------|
| 08/11/2021 | 08/11/2026 | \$5.06 | \$0.00 | - | - | - | \$5.06 |
| 01/01/2022 | 01/01/2027 | \$6.76 | \$0.00 | - | - | - | \$6.76 |
| 01/02/2022 | 01/02/2027 | \$6.67 | \$0.00 | - | - | - | \$6.67 |
| 14/04/2022 | 04/04/2027 | \$6.32 | \$0.00 | - | - | - | \$6.32 |
| 10/05/2022 | 30/04/2026 | \$4.69 | \$0.00 | - | - | - | \$4.69 |

Note 39. Events after the reporting period

Share Purchase Agreement

On August 22, 2022, SiteMinder signed a Share Purchase Agreement (SPA) to acquire GuestJoy for an initial payment of €3.25m, and a further €1.75m subject to the completion of specified performance milestones within 24 months. The transaction will be 100% equity funded via the issuance of additional shares. GuestJoy is a customer relationship management suite of tools that helps hoteliers automate and digitise their guest communication, drive upsell revenues, and strengthen direct guest acquisition. GuestJoy will help strengthen the capabilities of SiteMinder's platform which will aid new business acquisition, and reduce churn. SiteMinder is currently in the process of finalising this transaction and expects completion during the first half of FY23.

COVID-19

The impact of the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The Group is confident that it is taking the correct actions and continues to monitor the overall impact of COVID-19, which cannot be fully estimated at this time.

Note 39. Events after the reporting period (continued)

The extent of the future impact of COVID-19 on the Group's operational and financial performance will depend on developments including the duration and spread of the outbreak, regulations imposed by governments with respect to further outbreaks, quarantine, travel restrictions, economic stimulus that may be provided and the impact on clients that is uncertain and cannot be predicted at this time.

By the end of the financial year, SiteMinder has experienced improving revenues and has made good progress positioning the Group for an expected recovery in travel around the world.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Pat O'Sullivan
Chairman

23 August 2022
Sydney



Sankar Narayan
Managing Director and Chief Executive Officer

Independent Auditor's Report to the members of SiteMinder Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of SiteMinder Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2022 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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 & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matter | How the scope of our audit responded to the Key Audit Matter |
|--|--|
| <p>Capitalisation of internally generated software</p> <p>During the year, the Group capitalised internal software development project costs of \$22,023k as disclosed in Note 15. These projects were predominantly in relation to the development of the Group's key software platforms. The costs primarily comprise payroll and related expenses.</p> <p>Significant management judgement is required in respect of:</p> <ul style="list-style-type: none"> • whether costs incurred qualify for capitalisation in accordance with AASB 138 Intangible Assets; • the rate of capitalisation of relevant payroll and related costs; and • the extent to which these capitalised software development project costs will generate probable future economic benefits. | <p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Through inquiries with management obtaining an understanding of the Group's capitalisation policy, including the rationale for the percentage of payroll and related costs capitalised; • Understanding the relevant controls over the capitalisation of development costs; • On a sample basis, testing capitalised software development costs during the year through the following: <ul style="list-style-type: none"> (a) Assessing management's movement schedule of capitalised labour by agreeing the underlying salaries and related expenses to the respective payroll reports; (b) Challenging management's key assumptions on employee level labour capitalisation rates; (c) Obtaining confirmations and conducting direct interviews with employees including engineers and developers to corroborate the capitalisation rates used by management; (d) Assessing whether the costs incurred qualify for capitalisation in accordance with Group's accounting policy and AASB138 Intangible Assets; and • Assessing the appropriateness of the disclosures in Notes 2 and 15 to the financial statements. |

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 29 of the Directors' Report for the year ended 30 June 2022.

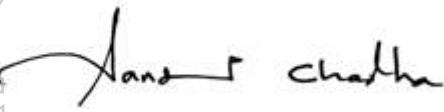
In our opinion, the Remuneration Report of SiteMinder Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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DELOITTE TOUCHE TOHMATSU


Sandeep Chadha
Partner
Chartered Accountants
Sydney, 23 August 2022

The shareholder information set out below was applicable as at 25 July 2022.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

| | Ordinary shares | | Options over ordinary shares | |
|---------------------------------------|-------------------|--------------------------|------------------------------|---------------------------|
| | Number of holders | % of total shares issued | Number of holders | % of total options issued |
| 1 to 1,000 | 1,425 | 0.25 | - | - |
| 1,001 to 5,000 | 1,139 | 1.12 | 28 | 1.90 |
| 5,001 to 10,000 | 285 | 0.81 | 41 | 4.00 |
| 10,001 to 100,000 | 175 | 1.55 | 39 | 23.20 |
| 100,001 and over | 39 | 96.27 | 14 | 70.90 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 3,063 | 100.00 | 122 | 100.00 |
| Holding less than a marketable parcel | <hr/> | <hr/> | <hr/> | <hr/> |
| | 190 | - | - | - |

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

| | Ordinary shares % of total shares issued | Number held |
|--|---|--------------|
| HSBC Custody Nominees (Australia) Limited | 73,566,159 | 27.07 |
| J P Morgan Nominees Australia Pty Limited | 60,166,942 | 22.14 |
| Citicorp Nominees Pty Limited | 28,008,796 | 10.31 |
| Bailador Technology Investments Limited | 16,711,400 | 6.15 |
| Bellite Pty Ltd | 15,284,882 | 5.62 |
| Michael Gregory Ford | 12,453,770 | 4.58 |
| Solum Nominees (Australia) Pty Ltd (Bare Allocated A/C)* | 10,187,040 | 3.75 |
| Tassie, David & Ronit | 8,039,233 | 2.96 |
| National Nominees Limited | 6,817,785 | 2.51 |
| BNP Paribas Nominees Pty Ltd (Agency Lending DRP A/C) | 6,560,767 | 2.41 |
| Citicorp Nominees Pty Limited (Colonial First State Inv A/C) | 3,705,824 | 1.36 |
| Washington H Soul Pattinson And Company Limited | 3,700,000 | 1.36 |
| BNP Paribas Noms Pty Ltd (DRP) | 3,515,091 | 1.29 |
| Michael Bradley Rogers | 2,300,353 | 0.85 |
| Broad Street Equity Investments Europe Ltd | 1,192,040 | 0.44 |
| Flocolo 1 Pty Ltd | 1,131,400 | 0.42 |
| Woodross Nominees Pty Ltd | 1,000,044 | 0.37 |
| Solum Nominees (Australia) Pty Ltd (VSA A/C) | 924,702 | 0.34 |
| HSBC Custody Nominees (Australia) Limited - A/C 2 | 861,910 | 0.32 |
| BNP Paribas Nominees Pty Ltd (IB AU Noms Retailclient DRP) | 705,050 | 0.26 |
| | <hr/> | <hr/> |
| | 256,833,188 | 94.51 |

* Excludes interests associated with Michael Gregory Ford.

Unquoted equity securities

| | Number on issue | Number of holders |
|-------------------------------------|----------------------------|------------------------------|
| Options over ordinary shares issued | 6,226,240 | 122 |

Substantial holders

Substantial holders in the Company, based on substantial holding notices lodged with the Australian Stock Exchange (ASX) as of 25 July 2022, are set out below:

| | Number held | Ordinary shares % of total shares issued |
|--|--------------------|---|
| Blackrock Group | 37,368,906 | 13.75 |
| First Sentier Investors / Mitsubishi UFJ Financial Group | 22,389,702 | 8.24 |
| Ellerston Capital | 19,739,357 | 7.26 |
| AustralianSuper | 18,303,085 | 6.73 |
| Bailador Technology Investments | 16,711,400 | 6.15 |
| Pendal Group | 16,215,942 | 5.97 |
| Bellite Pty Ltd | 15,284,882 | 5.62 |
| Fidelity Investments | 14,686,965 | 5.40 |

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Securities subject to voluntary escrow

| Class | Expiry date | Number of shares |
|-----------------|--------------------|-----------------------------|
| Ordinary shares | 24 August 2022 | 52,583,198 |

