

SiteMinder Limited and its controlled entities

ABN 59 121 931 744

Annual report for the financial year ended - 30 June 2021

Directors' report	2
Auditor's independence declaration	7
Consolidated statement of profit or loss and other comprehensive income	8
Consolidated statement of financial position	9
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	12
Notes to the consolidated financial statements	13
Directors' declaration	61
Independent auditor's report to the members of SiteMinder Limited	62

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 2021.

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:

Michael Ford - Chairman
Sankar Narayan - Chief Executive Officer
Leslie Szekely
Paul Wilson
David Yuan
John Burke

Principal activities

As the world's largest open hotel commerce platform, SiteMinder provides its tens of thousands of hotel customers the ability to find success by selling, marketing, managing and growing their business. The Group'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. The breadth and relevance of SiteMinder's platform, along with its vast ecosystem of 1300 partners, has seen the Group remain resilient through the travel disruption of the financial year, as hotels have looked to SiteMinder to find new ways to be successful more than ever before.

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

The loss for the Group after providing for income tax amounted to \$121,770,000 (30 June 2020: \$4,899,000).

The Group has recognised a loss of \$96,313,000 (30 June 2020: profit of \$16,068,000) for the fair value movement of embedded derivative. The loss for the Group after providing income tax and excluding fair value movement is \$25,457,000 (30 June 2020: \$20,967,000)

Significant changes in the state of affairs

On 16 June 2021, Globekey Systems Pty Ltd, a subsidiary, was deregistered.

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

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')

The Company is advanced in its plans to raise capital to support its growth objective by conducting an IPO on the ASX. The IPO is scheduled to take place by 30 June 2022.

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 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 2021 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 policy of increasing the revenue and market share during the next financial year. 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 and marketing 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: Michael Ford
Title: Chairman
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 Mike Ford. Mike'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, Mike was recognised as a winner of the 2016 EY Entrepreneur of the Year™ Eastern Region Awards.

Today, Mike remains active in the SiteMinder business as managing director, helping to drive the Group's innovation agenda.

Name: Sankar Narayan
Title: 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.

Today, Sankar leads SiteMinder's internationalised software and multilingual teams across 20 locations globally, and which see more than 80% of revenue sourced from outside the Group's home market of Australasia.

Name: Leslie Szekely
Title: Non-Executive Director
Qualifications: B.A. LL.M. FAICD
Experience and expertise: Leslie, is an active business angel, mentor, and M&A consultant. He started GPC in 2010 after a career of almost 30 years as a tax consulting partner and director with Horwaths Chartered Accountants and then Deloitte. He is the author of over a dozen books on taxation law, has been an active angel investor since 1999 and is currently a director of several early stage and maturing companies.

Name: Paul Wilson
Title: Non-Executive Director
Qualifications: Paul has a B. Bus, Banking and Finance from QUT and 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.
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 Bailador Technology Investments (ASX:BTI), Director of Straker Translations (ASX:STG), Vita Group (ASX:VTG), Stackla, and the Rajasthan Royals IPL cricket franchise.

Name: David Yuan
Title: Non-Executive Director
Qualifications: David received an B.A. in Economics from Harvard University and an MBA from Stanford Graduate School of Business.
Experience and expertise: David has invested in four companies that have gone public, eight that have been acquired, and has been recognized by Forbes on its Midas List of the top 100 technology investors. He currently is a board director or board observer at Avetta, CCC Information Services, Klook, LegalZoom, Toast, and Wealthsimple. Other current investments include Act-On, ByteDance, HashiCorp, Modsy, Nubank, Rover, and The Pracuj Group.

Name: John Burke
Title: Non-Executive Director
Qualifications: John received a Bachelor of Science and Commerce, Accounting from Santa Clara University Leavey School of Business
Experience and expertise: John is the founder and CEO at Merit Holdings. Merit is a holding company that acquires, manages and grows niche vertical software businesses over multiple decades. John previously was a Principal at TCV and also spent five years at SiteMinder, holding various roles and most recently served as the Group's CFO.

Company secretary

Name: Aaron McKenzie
Title: Company Secretary and Senior Legal 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 start-up's, 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).

The previous Company Secretary was Mark Simpson who resigned as of 1 February 2021.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board Attended	Full Board Held	Remuneration Committee Attended	Remuneration Committee Held	Audit and Risk Committee Attended	Audit and Risk Committee Held
Michael Ford - Chairman	4	4	-	-	-	-
Sankar Narayan	4	4	-	-	-	-
Leslie Szekely	4	4	-	-	2	2
Paul Wilson	4	4	1	1	2	2
David Yuan	4	4	1	1	-	-
John Burke	4	4	-	-	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

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
11 October 2016	\$39.37	8,058
1 September 2018	\$64.30	3,000
18 December 2018	\$64.30	3,500
25 January 2019	\$64.30	2,500
3 June 2019	\$64.30	25,000
28 June 2019	\$13.73	4,371
31 August 2019	\$64.30	14,218
1 July 2020	\$138.00	47,000
		107,647

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 issued on the exercise of options

There were no ordinary shares of SiteMinder Limited issued on the exercise of options during the year ended 30 June 2021 and up to the date of this report.

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.

Rounding of amounts

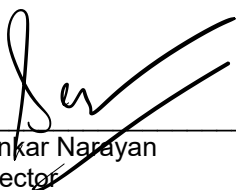
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain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



Sankar Narayan
Director

5 October 2021

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

5 October 2021

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.

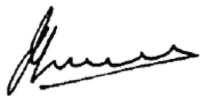
As lead audit partner for the audit of the financial statements of SiteMinder Limited and its controlled entities for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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



Joshua Tanchel
Partner
Chartered Accountants

		Consolidated Restated	
	Note	30 June 2021 \$'000	30 June 2020 \$'000
Revenue	6	100,761	112,196
Cost of sales		(26,472)	(29,150)
Gross profit		<u>74,289</u>	<u>83,046</u>
Expenses			
Sales and marketing expenditure		(35,884)	(44,079)
Research and development expenditure		(17,073)	(18,871)
General and administration expenditure		(18,276)	(23,354)
Share-based payments expenses		(8,966)	(8,236)
Total operating expenses	7	<u>(80,199)</u>	<u>(94,540)</u>
Loss before tax, depreciation, amortisation, impairment, other income and other expenses		(5,910)	(11,494)
Interest revenue calculated using the effective interest method		151	160
Finance costs	7	(997)	(408)
Fair value movement on derivatives	7	(96,313)	16,068
Depreciation, amortisation and impairment expense	7	(14,142)	(11,283)
Business development grant	8	-	1,087
Other income	9	107	2,442
Other expenses	7	<u>(4,388)</u>	<u>(446)</u>
Loss before income tax expense	7	(121,492)	(3,874)
Income tax expense	10	<u>(278)</u>	<u>(1,025)</u>
Loss after income tax expense for the year		(121,770)	(4,899)
Other comprehensive income/(loss)			
<i>Items that may 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		205	-
Foreign currency translation		<u>1,675</u>	<u>(2,686)</u>
Other comprehensive income/(loss) for the year, net of tax		<u>1,880</u>	<u>(2,686)</u>
Total comprehensive loss for the year		<u>(119,890)</u>	<u>(7,585)</u>
		\$	\$
Basic earnings per share	33	(36.88)	(1.60)
Diluted earnings per share	33	(36.88)	(1.60)

Refer to note 4 for detailed information on restatement of comparatives.

	Note	30 June 2021 \$'000	Consolidated Restated 30 June 2020 \$'000	Restated 1 July 2019 \$'000
Assets				
Current assets				
Cash and cash equivalents		30,970	46,005	15,998
Trade and other receivables	11	3,037	4,212	3,541
Contract assets	12	1,308	765	1,329
Income tax refund due		-	65	-
Prepayments		1,501	1,157	1,670
Total current assets		36,816	52,204	22,538
Non-current assets				
Financial assets at fair value through other comprehensive income	13	2,434	2,229	2,229
Other financial assets	14	1,159	2,048	1,538
Property, plant and equipment	15	1,484	1,703	1,930
Right-of-use assets	16	12,257	14,859	3,295
Intangibles	17	30,031	24,340	15,580
Deferred tax		3	3	73
Total non-current assets		47,368	45,182	24,645
Total assets		84,184	97,386	47,183
Liabilities				
Current liabilities				
Trade and other payables	18	16,880	14,477	11,190
Contract liabilities	19	4,020	5,069	5,214
Borrowings	20	65,941	65,941	68,566
Derivative financial instruments	21	339,944	243,631	280,252
Lease liabilities	22	1,653	1,513	2,749
Provision for income tax	10	25	-	-
Employee benefits	23	6,678	4,331	3,329
Total current liabilities		435,141	334,962	371,300
Non-current liabilities				
Lease liabilities	24	12,629	15,265	1,317
Deferred tax		45	43	44
Employee benefits	25	11,319	5,517	275
Lease make good provision		146	138	-
Total non-current liabilities		24,139	20,963	1,636
Total liabilities		459,280	355,925	372,936
Net liabilities		(375,096)	(258,539)	(325,753)

	Note	30 June 2021 \$'000	Consolidated Restated 30 June 2020 \$'000	Restated 1 July 2019 \$'000
Equity				
Issued capital	26	53,544	53,515	2,220
Total issued capital		<u>53,544</u>	<u>53,515</u>	<u>2,220</u>
Reserves	27	24,162	18,978	(1,840)
Total reserves		<u>24,162</u>	<u>18,978</u>	<u>(1,840)</u>
Accumulated losses				
Accumulated losses - Preference shares*		(360,497)	(264,184)	(280,252)
Accumulated losses - Operating results		(92,305)	(66,848)	(45,881)
Total accumulated losses		<u>(452,802)</u>	<u>(331,032)</u>	<u>(326,133)</u>
Total deficiency in equity		<u>(375,096)</u>	<u>(258,539)</u>	<u>(325,753)</u>

*Fair value through profit or loss embedded derivative movement of preference shares.

Refer to note 4 for detailed information on restatement of comparatives.

Consolidated	Issued capital (note 26) \$'000	Reserves (note 27) \$'000	Accumulated losses \$'000	Total deficiency in equity \$'000
Balance at 1 July 2019	70,786	(2,339)	(43,113)	25,334
Adjustment for restatement - preference shares (note 4)	(68,566)	-	(280,252)	(348,818)
Adjustment for restatement - share-based payments (note 4)	-	499	(499)	-
Adjustment for restatement - indirect and direct taxes (note 4)	-	-	(2,269)	(2,269)
Balance at 1 July 2019 - restated	2,220	(1,840)	(326,133)	(325,753)
Loss after income tax expense for the year	-	-	(4,899)	(4,899)
Other comprehensive loss for the year, net of tax	-	(2,686)	-	(2,686)
Total comprehensive loss for the year	-	(2,686)	(4,899)	(7,585)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	2,951	-	2,951
Settlement of loans	85	-	-	85
Contributions of equity, net of transaction costs	51,210	20,553	-	71,763
Balance at 30 June 2020 - restated	<u>53,515</u>	<u>18,978</u>	<u>(331,032)</u>	<u>(258,539)</u>

Refer to note 4 for detailed information on restatement of comparatives.

Consolidated	Issued capital (note 26) \$'000	Reserves (note 27) \$'000	Accumulated losses \$'000	Total deficiency in equity \$'000
Balance at 1 July 2020 - restated	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 income/(loss) for the year	-	1,880	(121,770)	(119,890)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	3,304	-	3,304
Settlement of loans	29	-	-	29
Balance at 30 June 2021	<u>53,544</u>	<u>24,162</u>	<u>(452,802)</u>	<u>(375,096)</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

		Consolidated Restated	
	Note	30 June 2021 \$'000	30 June 2020 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		102,965	109,798
Payments to suppliers and employees (inclusive of GST)		(103,877)	(110,106)
Government grants received		4,618	2,406
Interest paid		(987)	(408)
Income taxes paid		(186)	(230)
		<hr/>	<hr/>
Net cash provided by operating activities	38	2,533	1,460
Cash flows from investing activities			
Interest received		151	160
Payments for property, plant and equipment	15	(932)	(1,064)
Payments for intangibles	17	(16,315)	(15,231)
Payments for security deposits		1,098	(484)
Proceeds from disposal of property, plant and equipment		143	-
		<hr/>	<hr/>
Net cash used in investing activities		(15,855)	(16,619)
Cash flows from financing activities			
Proceeds from issue of shares		-	50,000
Share issue transaction costs		-	(1,415)
Proceeds from settlement of loan		29	85
Proceeds from borrowings		-	19,990
Repayment of borrowings		-	(19,570)
Repayment of lease liabilities	24	(2,297)	(2,716)
		<hr/>	<hr/>
Net cash (used in)/provided by financing activities		(2,268)	46,374
Net (decrease)/increase in cash and cash equivalents		(15,590)	31,215
Cash and cash equivalents at the beginning of the financial year		46,005	15,998
Effects of exchange rate changes on cash and cash equivalents		555	(1,208)
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year		<u>30,970</u>	<u>46,005</u>

Refer to note 4 for detailed information on restatement of comparatives.

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 an unlisted 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

As the world's largest open hotel commerce platform, SiteMinder provides its tens of thousands of hotel customers the ability to find success by selling, marketing, managing and growing their business. The Group'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. The breadth and relevance of SiteMinder's platform, along with its vast ecosystem of 1300 partners, has seen the Group remain resilient through the travel disruption of the financial year, as hotels have looked to SiteMinder to find new ways to be successful more than ever before.

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 5 October 2021. The directors have the power to amend and reissue the financial statements.

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.

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

Initial adoption of AASB 1 'First-time Adoption of Australian Accounting Standards'

The Group previously prepared special purpose financial statements for internal management purposes and to comply with the Corporations Act 2001, that adopted full recognition and measurements of Australian Accounting Standards but selected disclosures. These financial statements are the first general purpose financial statements prepared under Australian Accounting Standards. The Group has taken the exemptions available to it in accordance with AASB 1 'First-time Adoption of Australian Accounting Standards' where possible.

There were no reconciling differences either (i) at the date of transition (1 July 2020); and (ii) the end of the previous comparative period (30 June 2020).

The adoption of this standard has mainly resulted in increased disclosures.

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.

Note 2. Significant accounting policies (continued)

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.

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 36.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SiteMinder Limited as at 30 June 2021 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.

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

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. 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.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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

From these activities, the Group generates the following streams of revenue:

1. Recurring subscription revenue

- Recurring subscription revenue comprises the monthly subscription fees from subscribers to SiteMinder's online software products and associated set up fee.
- Product setup is not considered as a distinct performance obligation because a product that is setup but for which no subscription has been taken up does not provide the customer with the ability to receive and consume the benefits of the product. The two are operationally interdependent, and is therefore accounted for as a single performance obligation and recognised over time.
- Monthly subscription fee is recognised over time, being the subscription period, as the customer simultaneously receives and consumes the benefits of accessing the product.

2. Recurring transaction revenue

- Recurring transaction revenue comprises the monthly usage fees from customers to SiteMinder's commerce solutions, including a merchant solution (SiteMinder Pay), meta-search solution (Demand Plus), and global distribution system solution (GDS).
- SiteMinder Pay is a payment processing service and charges hotel a fixed percentage of the booked value. Revenue is recognised when services are performed at the time of transaction and a refund liability is recognised for the expected cancellations.
- Demand Plus advertises customers' hotels on partner meta-search engines and charges customers a fixed percentage of the total booked value. Revenue is recognised at the time of guest check out when the customer receives the benefit from the completed bookings.
- GDS allows customers to list their hotels on global distribution systems and charges hotels per completed booking. Revenue is recognised at the time of guest check out when the customer receives the benefit from the completed bookings.

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.

Note 2. Significant accounting policies (continued)

Refund liabilities

Refund liabilities are recognised where the Group receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. 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 across product lines 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.

Cost of sales

Cost of sales for subscription revenues includes global customer support, account management, customer success, strategic account director and application operations team salaries, secure hosting costs from Amazon Web Services and overhead allocations such as general and administration costs and occupancy costs which are allocated based on the subscription fee team headcount in various local offices.

Cost of sales for transaction services include merchant fees paid on transaction volume and third party platform fees, salaries for the dedicated GDS support team and the SiteMinder Pay team and overhead allocations such as general and administration costs and occupancy costs which are allocated based on the transaction product team headcount in various local offices.

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:

- (i) JobKeeper support payments in Australia - the Group has received JobKeeper support payments from the Australian Government which are passed on to eligible employees.
- (ii) Temporary Wage Subsidy Scheme in Ireland - the Group has received grants under the Scheme in Ireland.
- (iii) 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.

Non-COVID-19 related government grant includes:

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

This non-COVID-19 related grants 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.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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

Note 2. Significant accounting policies (continued)

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.

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. 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 have a finite life of four to five years and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

Note 2. Significant accounting policies (continued)

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. 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.

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.

Note 2. Significant accounting policies (continued)

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.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

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 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.

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.

Note 2. Significant accounting policies (continued)

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.

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.

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.

Note 2. Significant accounting policies (continued)

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 shares assumed to have been issued for no consideration in relation to 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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

Other amending Accounting Standards

Other amending Accounting Standards issued but not mandatory are not considered to have a significant impact on the financial statements of the Group as they provide either clarification of existing accounting treatment or editorial amendments.

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.

Best estimate judgements on present obligations

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Management take into account the probability weighting of the most likely outcome when recognising provisions which involves key judgements.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates.

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 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.

Useful life of capitalised development costs

The Group regularly considers the useful life of development costs, which is currently estimated to be between 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.

Impairment of non-financial assets (other than goodwill and other indefinite life intangible assets)

The Group assesses impairment of non-financial assets (other than goodwill and other indefinite life intangible assets) at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves assessing the value of the asset at fair value less costs of disposal and using value-in-use models.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

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 largely not been recorded.

Preference shares

The convertible preference shares in note 20 are 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.

Note 4. Restatement of comparatives

Restatement of preference shares

The historic accounting practice of the Group was to treat convertible preference shares as equity. In the current year management have reassessed the historic treatment of convertible preference shares and concluded that they are a financial liability with a host debt instrument and an embedded derivative that is measured at fair value through profit or loss ('FVTPL'). To comply with the requirements of AASB 132 'Financial Instruments: Presentation', management have restated the classification of convertible preference shares and the embedded derivative FVTPL movements and the following restatement of comparative information has occurred:

- an increase to accumulated losses at 1 July 2018 of \$134,081,000 representing the FVTPL embedded derivative loss movement from the convertible preference share prices from the dates of issue to 1 July 2018 and the reclassification of convertible preference share from equity to a financial liability host debt financial liability instrument;
- FVTPL embedded derivative loss movement of \$146,171,000 between the convertible preference share value at 1 July 2018 to 30 June 2019 with a corresponding increase to the embedded derivative liability;
- FVTPL embedded derivative gain movement of \$16,068,000 between the convertible preference share value at 1 July 2019 to 30 June 2020 with a corresponding decrease to the embedded derivative liability; and
- a transfer of the preference share liability of \$2,625,000 to share capital and embedded derivative liability of \$20,553,000 to reserves on the conversion of preference shares to A Class shares.

Restatement of share-based payments

As part of the embedded derivative FVTPL valuation, management has reassessed the volatility used in certain historic share-based payment grants and recorded the following adjustment:

- additional share-based payment expense of \$499,000 increasing accumulated losses and increasing share-based payment reserves at 1 July 2019; and
- increase in the share-based payment expense of \$231,000, decrease to share-based payment reserves of \$343,000 and increase to the shadow equity liability of \$574,000 for the year ended 30 June 2020.

Restatement of direct and indirect taxes

The Company has reviewed its global direct and indirect tax positions across its global operations in a range of areas and have recorded the following adjustments:

- an increase to income tax expense of \$270,000 and increase to other expenses of \$1,381,000 increasing accumulated losses by \$1,651,000 and provisions by \$1,651,000 as at 1 July 2018;
- an increase to income tax expense of \$403,000 and increase to other expenses of \$215,000 increasing accumulated losses by \$618,000 and provisions by \$618,000 for the year ended 30 June 2019; and
- an increase to income tax expense of \$796,000 and increase to other expenses of \$398,000 increasing accumulated losses by \$1,194,000 and provisions by \$1,194,000 for the year ended 30 June 2020.

Restatement of operating and investing cash flows

Other than a reclassification between operating and investing cash flows in the statement of cash flows for the year ended 30 June 2020, no other cash flow changes occurred in any financial period.

Note 4. Restatement of comparatives (continued)

The impact on the statement of profit or loss and other comprehensive income, the statement of financial position, and the statement of cash flows are set out below:

Statement of profit or loss and other comprehensive income for the year ended 30 June 2020

	30 June 2020 \$'000 Reported	Consolidated \$'000 Adjustment	30 June 2020 \$'000 Restated
Revenue	112,196	-	112,196
Cost of sales	(29,150)	-	(29,150)
Expenses			
Sales and marketing expenditure	(44,079)	-	(44,079)
Research and development expenditure	(18,871)	-	(18,871)
General and administration expenditure	(23,354)	-	(23,354)
Share-based payments expenses	(8,005)	(231)	(8,236)
Loss before tax, depreciation, amortisation, impairment, other income and other expenses	(11,263)	(231)	(11,494)
Interest revenue calculated using the effective interest method	160	-	160
Finance costs	(408)	-	(408)
Fair value movement on derivatives	-	16,068	16,068
Depreciation, amortisation and impairment expense	(11,283)	-	(11,283)
Business development grant	1,087	-	1,087
Other income	2,442	-	2,442
Other expenses	(48)	(398)	(446)
Loss before income tax expense	(19,313)	15,439	(3,874)
Income tax expense	(229)	(796)	(1,025)
Loss after income tax expense for the year	(19,542)	14,643	(4,899)
Other comprehensive loss			
Foreign currency translation	(2,686)	-	(2,686)
Other comprehensive loss for the year, net of tax	(2,686)	-	(2,686)
Total comprehensive loss for the year	(22,228)	14,643	(7,585)
	\$ Reported	\$ Adjusted	\$ Restated
Basic earnings per share	(6.40)	4.80	(1.60)
Diluted earnings per share	(6.40)	4.80	(1.60)

Note 4. Restatement of comparatives (continued)

Statement of profit or loss and other comprehensive income for the year ended 30 June 2019

	30 June 2019 \$'000 Reported	Consolidated \$'000 Adjustment	30 June 2019 \$'000 Restated
Revenue	96,862	-	96,862
Cost of sales	(23,440)	-	(23,440)
Expenses			
Sales and marketing expenditure	(34,104)	-	(34,104)
Research and development expenditure	(14,595)	-	(14,595)
General and administration expenditure	(19,976)	-	(19,976)
Share-based payments expenses	(866)	(499)	(1,365)
Profit/(loss) before tax, depreciation, amortisation and impairment, other income and other expenses	3,881	(499)	3,382
Interest revenue calculated using the effective interest method	25	-	25
Fair value movement on derivatives	-	(146,171)	(146,171)
Depreciation, amortisation and impairment expense	(4,314)	-	(4,314)
Other income	820	-	820
Other expenses	(170)	(215)	(385)
Profit/(loss) before income tax expense	242	(146,885)	(146,643)
Income tax expense	(80)	(403)	(483)
Profit/(loss) after income tax expense for the year	162	(147,288)	(147,126)
Other comprehensive income			
Gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax	2,145	-	2,145
Foreign currency translation	(285)	-	(285)
Other comprehensive income for the year, net of tax	1,860	-	1,860
Total comprehensive income/(loss) for the year	2,022	(147,288)	(145,266)

Note 4. Restatement of comparatives (continued)

Statement of financial position at the beginning of the earliest comparative period

	1 July 2019 \$'000 Reported	Consolidated \$'000 Adjustment	1 July 2019 \$'000 Restated
Assets			
Current assets			
Cash and cash equivalents	15,998	-	15,998
Trade and other receivables	3,541	-	3,541
Contract assets	1,329	-	1,329
Prepayments	1,670	-	1,670
Total current assets	22,538	-	22,538
Non-current assets			
Financial assets at fair value through other comprehensive income	2,229	-	2,229
Other financial assets	1,538	-	1,538
Property, plant and equipment	1,930	-	1,930
Right-of-use assets	3,295	-	3,295
Intangibles	15,580	-	15,580
Deferred tax	73	-	73
Total non-current assets	24,645	-	24,645
Total assets	47,183	-	47,183
Liabilities			
Current liabilities			
Trade and other payables	8,921	2,269	11,190
Contract liabilities	5,214	-	5,214
Borrowings	-	68,566	68,566
Derivative financial instruments	-	280,252	280,252
Lease liabilities	2,749	-	2,749
Employee benefits	3,329	-	3,329
Total current liabilities	20,213	351,087	371,300
Non-current liabilities			
Lease liabilities	1,317	-	1,317
Deferred tax	44	-	44
Employee benefits	275	-	275
Total non-current liabilities	1,636	-	1,636
Total liabilities	21,849	351,087	372,936
Net assets/(liabilities)	25,334	(351,087)	(325,753)
Equity			
Issued capital	70,786	(68,566)	2,220
Reserves	(2,339)	499	(1,840)
Accumulated losses	(43,113)	(283,020)	(326,133)
Total equity/(deficiency)	25,334	(351,087)	(325,753)

Note 4. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

	30 June 2020 \$'000 Reported	Consolidated \$'000 Adjustment	30 June 2020 \$'000 Restated
Assets			
Current assets			
Cash and cash equivalents	46,005	-	46,005
Trade and other receivables	4,212	-	4,212
Contract assets	765	-	765
Income tax refund due	65	-	65
Prepayments	1,157	-	1,157
Total current assets	52,204	-	52,204
Non-current assets			
Financial assets at fair value through other comprehensive income	2,229	-	2,229
Other financial assets	2,048	-	2,048
Property, plant and equipment	1,703	-	1,703
Right-of-use assets	14,859	-	14,859
Intangibles	24,340	-	24,340
Deferred tax	3	-	3
Total non-current assets	45,182	-	45,182
Total assets	97,386	-	97,386
Liabilities			
Current liabilities			
Trade and other payables	11,014	3,463	14,477
Contract liabilities	5,069	-	5,069
Borrowings	-	65,941	65,941
Derivative financial instruments	-	243,631	243,631
Lease liabilities	1,513	-	1,513
Employee benefits	4,331	-	4,331
Total current liabilities	21,927	313,035	334,962
Non-current liabilities			
Lease liabilities	15,265	-	15,265
Deferred tax	43	-	43
Employee benefits	4,943	574	5,517
Lease make good provision	138	-	138
Total non-current liabilities	20,389	574	20,963
Total liabilities	42,316	313,609	355,925
Net assets/(liabilities)	55,070	(313,609)	(258,539)
Equity			
Issued capital	119,456	(65,941)	53,515
Reserves	(1,731)	20,709	18,978
Accumulated losses	(62,655)	(268,377)	(331,032)
Total equity/(deficiency)	55,070	(313,609)	(258,539)

Note 4. Restatement of comparatives (continued)

Statement of cash flows for the year ended 30 June 2020

	30 June 2020 \$'000 Reported	Consolidated \$'000 Adjustment	30 June 2020 \$'000 Restated
Cash flows from operating activities			
Receipts from customers (inclusive of GST)	109,798	-	109,798
Payments to suppliers and employees (inclusive of GST)	(111,053)	947	(110,106)
Government grants received	2,406	-	2,406
Interest paid	(408)	-	(408)
Income taxes paid	(230)	-	(230)
Net cash provided by operating activities	513	947	1,460
Cash flows from investing activities			
Interest received	160	-	160
Payments for property, plant and equipment	(1,064)	-	(1,064)
Payments for intangibles	(14,284)	(947)	(15,231)
Payments for security deposits	(484)	-	(484)
Net cash used in investing activities	(15,672)	(947)	(16,619)
Cash flows from financing activities			
Proceeds from issue of shares	50,000	-	50,000
Share issue transaction costs	(1,415)	-	(1,415)
Proceeds from settlement of loan	85	-	85
Proceeds from borrowings	19,990	-	19,990
Repayment of borrowings	(19,570)	-	(19,570)
Repayment of lease liabilities	(2,716)	-	(2,716)
Net cash provided by financing activities	46,374	-	46,374
Net increase in cash and cash equivalents	31,215	-	31,215
Cash and cash equivalents at the beginning of the financial year	15,998	-	15,998
Effects of exchange rate changes on cash and cash equivalents	(1,208)	-	(1,208)
Cash and cash equivalents at the end of the financial year	46,005	-	46,005

Note 4. Restatement of comparatives (continued)

Statement of cash flows for the year ended 30 June 2019

	30 June 2019 \$'000 Reported	Consolidated \$'000 Adjustment	30 June 2019 \$'000 Restated
Cash flows from operating activities			
Receipts from customers (inclusive of GST)	99,036	-	99,036
Payments to suppliers and employees (inclusive of GST)	(89,097)	-	(89,097)
Income taxes paid	(120)	-	(120)
Net cash provided by operating activities	<u>9,819</u>	-	<u>9,819</u>
Cash flows from investing activities			
Interest received	25	-	25
Payments for property, plant and equipment	(910)	-	(910)
Payments for intangibles	(9,238)	-	(9,238)
Payments for security deposits	(433)	-	(433)
Proceeds from disposal of property, plant and equipment	26	-	26
Net cash used in investing activities	<u>(10,530)</u>	-	<u>(10,530)</u>
Cash flows from financing activities			
Proceeds from exercise of share options	113	-	113
Net cash provided by financing activities	<u>113</u>	-	<u>113</u>
Net decrease in cash and cash equivalents	(598)	-	(598)
Cash and cash equivalents at the beginning of the financial year	16,914	-	16,914
Effects of exchange rate changes on cash and cash equivalents	(318)	-	(318)
Cash and cash equivalents at the end of the financial year	<u><u>15,998</u></u>	-	<u><u>15,998</u></u>

Accumulated losses

The impact of the restatement on accumulated losses is detailed below:

Accumulated losses	Consolidated \$'000
Balance at 1 July 2019 - as previously report	(43,113)
Adjustment for restatement - preference shares	(280,252)
Adjustment for restatement - share-based payments	(499)
Adjustment for restatement - direct and indirect taxes	(2,269)
Loss after income tax expense for the year	<u>(4,899)</u>
Balance at 30 June 2020 - restated	<u><u>(331,032)</u></u>

Note 4. Restatement of comparatives (continued)

Equity - Issued capital

The impact of the restatement to note 26 'Equity - Issued capital' is detailed below:

	30 June 2020 \$'000 Reported	Consolidated \$'000 Adjustment	30 June 2020 \$'000 Restated
Ordinary shares - fully paid	1,721	-	1,721
A class shares fully paid	51,724	(26)	51,698
Series A convertible preference shares - fully paid	5,103	(5,103)	-
Series B convertible preference shares - fully paid	30,946	(30,946)	-
Series C convertible preference shares - fully paid	19,911	(19,911)	-
Series D convertible preference shares - fully paid	9,955	(9,955)	-
Management loan funded shares - fully paid	33,421	-	33,421
Treasury share loans	(33,325)	-	(33,325)
	<u>119,456</u>	<u>(65,941)</u>	<u>53,515</u>

	1 July 2019 \$'000 Reported	Consolidated \$'000 Adjustment	1 July 2019 \$'000 Restated
Ordinary shares - fully paid	2,209	-	2,209
Series A convertible preference shares - fully paid	5,600	(5,600)	-
Series B convertible preference shares - fully paid	33,100	(33,100)	-
Series C convertible preference shares - fully paid	19,911	(19,911)	-
Series D convertible preference shares - fully paid	9,955	(9,955)	-
Management loan funded shares - fully paid	33,786	-	33,786
Treasury share loans	(33,775)	-	(33,775)
	<u>70,786</u>	<u>(68,566)</u>	<u>2,220</u>

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 6. The CODM does not review or assess financial performance on a geographical basis.

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 5. Operating segments (continued)

The information reported to the CODM is on a regular basis.

Note 6. Revenue

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
Revenue from contracts with customers	100,761	112,196

Disaggregation of revenue

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

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
<i>Geographical regions</i>		
Asia Pacific ('APAC')	36,534	43,843
Europe, Middle East and Africa ('EMEA')	41,260	44,057
Americas ('AMER')	22,967	24,296
	<u>100,761</u>	<u>112,196</u>
<i>Timing of revenue recognition</i>		
Recurring subscription revenue	84,014	95,096
Recurring transaction revenue	16,747	17,100
	<u>100,761</u>	<u>112,196</u>

During the years ended 30 June 2021 and 30 June 2020 there were no major customers that represent greater than 10% of the Group's revenue.

Note 7. Loss before income tax expense

Consolidated
30 June 2021 30 June 2020
\$'000 \$'000

Loss before income tax includes the following specific expenses:

Depreciation, amortisation and impairment

Depreciation of property, plant and equipment (note 15)	986	1,203
Depreciation of right-of-use assets (note 16)	2,530	2,834
Amortisation of intangible assets (note 17)	9,989	5,846
Impairment of right-of-use assets (note 16)	-	773
Impairment of intangible assets (note 17)	637	627

Total depreciation, amortisation and impairment	14,142	11,283
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Fair value movement on embedded derivative

Fair value (loss)/gain on embedded derivative	(96,313)	16,068
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Other expenses

Net foreign exchange loss	2,657	-
Net loss on disposal of non-current assets	342	48
Other expenses	1,389	398

	4,388	446
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Finance costs

Interest and finance charges paid/payable on lease liabilities	944	408
Interest on banking facilities	45	-
Unwinding of the discount on lease make good provision	8	-

Finance costs expensed	997	408
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Leases

Short-term lease payments	589	1,017
Low-value assets lease payments	7	-

	596	1,017
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Superannuation expense

Defined contribution superannuation expense	4,326	4,367
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Employee benefits expense

Employee benefits*	85,476	93,439
Expenses associated with shared-based payment plans	3,304	2,951
Expenses associated with shadow equity program	5,662	5,285
Government grants received - COVID-19	(2,943)	(4,148)

Total employee benefits expense	91,499	97,527
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* Costs incurred in relation to employee benefits amounting to \$15,407,000 (2020: \$15,231,000) are directly attributable to development activities and therefore capitalised in intangible assets.

Note 8. Business development grant

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
Business development grant	-	1,087

The business development grant is funding received from the Industrial Development Agency (Ireland) in return for establishing and carrying on an undertaking in Ireland.

Note 9. Other income

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
Net gain on disposal of property plant and equipment	5	-
Net foreign exchange gain	-	2,224
Other income	102	218
	<u>107</u>	<u>2,442</u>

Note 10. Income tax

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
<i>Income tax expense</i>		
Current tax	276	956
Deferred tax - origination and reversal of temporary differences	2	69
Aggregate income tax expense	<u>278</u>	<u>1,025</u>
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	-	70
Increase/(decrease) in deferred tax liabilities	2	(1)
Deferred tax - origination and reversal of temporary differences	2	69
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(121,492)	(3,874)
Tax at the statutory tax rate of 30%	(36,448)	(1,162)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	2,231	5,363
Foreign exchanges fluctuation	35	(41)
Current year tax benefit not recognised	5,463	1,315
Fair value movement on derivatives	28,894	(4,820)
Adjustments in respect of current income tax	175	655
Difference in overseas tax rates	159	933
	(56)	(563)
Income tax expense	<u>278</u>	<u>1,025</u>

Note 10. Income tax (continued)

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	30,948	15,479
Potential tax benefit at statutory tax rates	8,602	3,974

The Group has booked deferred tax liabilities on its capitalised development costs, which have been offset by deferred tax assets on employee benefits expenses. Excess tax losses available have not been recognised in the statement of financial position on the basis it is not probable taxable income will be generated. The Group also has a net \$12.3 million R&D tax offset available in addition to the tax losses mentioned above which has not been booked as a deferred tax asset at 30 June 2020 and 30 June 2021. The Group will continue to monitor the point at which unrecognised deferred tax assets for tax losses and R&D tax offsets are brought to account.

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
<i>Provision for income tax</i>		
Provision for income tax	25	-

Note 11. Current assets - trade and other receivables

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
Trade receivables	3,704	5,823
Less: Allowance for expected credit losses	(729)	(3,321)
	2,975	2,502
Other receivables	62	1,710
	3,037	4,212

Trade receivables are non-interest bearing and are generally on terms of 7 to 90 days. As at 30 June 2020, the Group has recognised \$1,644,000 COVID-19 related government grants in other receivables.

Allowance for expected credit losses

The Group has recognised a loss of \$1,628,000 (2020: \$4,561,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2021. During the year ended 30 June 2021, the Group has not recognised additional allowance for COVID-19 as the global economy has stabilised.

Note 11. Current assets - trade and other receivables (continued)

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 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	%	%	\$'000	\$'000	\$'000	\$'000
not overdue	7%	26%	1,934	1,232	127	326
0-30 days	12%	51%	954	1,729	117	882
31-60 days	32%	50%	345	1,044	111	524
61-90 days	54%	73%	193	863	104	634
over 90 days	97%	100%	278	955	270	955
			<u>3,704</u>	<u>5,823</u>	<u>729</u>	<u>3,321</u>

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

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
Opening balance	3,321	413
Net provisions recognised	1,595	4,379
Receivables written off during the year as uncollectable	(4,151)	(1,571)
Exchange differences	(36)	100
Closing balance	<u>729</u>	<u>3,321</u>

Note 12. Current assets - contract assets

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
Contract assets	<u>1,308</u>	<u>765</u>

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	765	1,329
Additions	13,058	15,165
Transfer to trade receivables	(12,515)	(15,727)
Exchange differences	-	(2)
Closing balance	<u>1,308</u>	<u>765</u>

There is no allowance for expected credit losses in respect to contract assets as at 30 June 2021 and 30 June 2020.

Note 13. Non-current assets - financial assets at fair value through other comprehensive income

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
Investment - at fair value through other comprehensive income	<u>2,434</u>	<u>2,229</u>

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

Note 14. Non-current assets - other financial assets

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
Security deposits	1,159	2,022
Long term deposits	<u>-</u>	<u>26</u>
	<u>1,159</u>	<u>2,048</u>

Note 15. Non-current assets - property, plant and equipment

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
Leasehold improvements - at cost	1,429	1,793
Less: Accumulated depreciation	<u>(818)</u>	<u>(1,157)</u>
	611	636
Fixtures and fittings - at cost	390	743
Less: Accumulated depreciation	<u>(345)</u>	<u>(540)</u>
	45	203
Office equipment - at cost	2,700	2,598
Less: Accumulated depreciation	<u>(1,893)</u>	<u>(1,734)</u>
	807	864
Work in progress - at cost	<u>21</u>	<u>-</u>
	<u>1,484</u>	<u>1,703</u>

Note 15. Non-current assets - property, plant and equipment (continued)

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 2019	781	385	764	-	1,930
Additions	466	12	586	-	1,064
Disposals	(77)	(33)	(5)	-	(115)
Exchange differences	13	6	8	-	27
Depreciation expense	(547)	(167)	(489)	-	(1,203)
Balance at 30 June 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	<u>611</u>	<u>45</u>	<u>807</u>	<u>21</u>	<u>1,484</u>

Note 16. Non-current assets - right-of-use assets

	Consolidated 30 June 2021 \$'000	30 June 2020 \$'000
Land and buildings - right-of-use	15,420	15,502
Less: Accumulated depreciation	(3,163)	(643)
	<u>12,257</u>	<u>14,859</u>

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.

Note 16. Non-current assets - right-of-use assets (continued)

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 2019	3,295
Additions	15,502
Terminations	(391)
Exchange differences	60
Impairment of assets (note 7)	(773)
Depreciation expense (note 7)	(2,834)
	<hr/>
Balance at 30 June 2020	14,859
Remeasurement of leases	(21)
Exchange differences	(51)
Depreciation expense (note 7)	(2,530)
	<hr/>
Balance at 30 June 2021	<u>12,257</u>

Note 17. Non-current assets - intangibles

	Consolidated 30 June 2021 \$'000	30 June 2020 \$'000
Goodwill - at cost	632	632
Less: Impairment	(632)	-
	<hr/>	<hr/>
	-	632
Software - at cost	932	869
Less: Accumulated amortisation	(873)	(351)
Less: Impairment	(3)	-
	<hr/>	<hr/>
	56	518
Capitalised development costs - at cost	53,502	37,255
Less: Accumulated amortisation	(22,900)	(13,438)
Less: Impairment	(627)	(627)
	<hr/>	<hr/>
	29,975	23,190
	<hr/>	<hr/>
	30,031	24,340
	<hr/> <hr/>	<hr/> <hr/>

Note 17. Non-current assets - intangibles (continued)

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 2019	632	693	14,255	15,580
Additions	-	-	15,231	15,231
Exchange differences	-	2	-	2
Impairment of assets	-	-	(627)	(627)
Amortisation expense	-	(177)	(5,669)	(5,846)
Balance at 30 June 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)
Balance at 30 June 2021	-	56	29,975	30,031

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.

Note 18. Current liabilities - trade and other payables

	Consolidated 30 June 2021 \$'000	30 June 2020 \$'000
Trade payables	4,627	2,049
GST, VAT and sales tax liabilities	348	632
Employment taxes payable	1,773	3,294
Other provisions	4,852	3,463
Accrued expenses	2,697	3,649
Other payables	2,583	1,390
	<u>16,880</u>	<u>14,477</u>

Refer to note 29 for further information on financial instruments.

Note 19. Current liabilities - contract liabilities

	Consolidated 30 June 2021 \$'000	30 June 2020 \$'000
Contract liabilities	<u>4,020</u>	<u>5,069</u>
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	5,069	5,214
Payments received in advance	80,740	90,089
Transfer to revenue - included in the opening balance	(5,069)	(5,214)
Transfer to revenue - other balances	(76,671)	(85,032)
Exchange differences	<u>(49)</u>	<u>12</u>
Closing balance	<u>4,020</u>	<u>5,069</u>

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 \$4,020,000 as at 30 June 2021 (2020: \$5,069,000) and is expected to be recognised within 1 year of the financial year end.

Note 20. Current liabilities - borrowings

	Consolidated 30 June 2021 \$'000	30 June 2020 \$'000
Convertible preference shares financial liability	<u>65,941</u>	<u>65,941</u>

Refer to note 29 for further information on financial instruments.

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.

Note 21. Current liabilities - derivative financial instruments

	Consolidated 30 June 2021 \$'000	30 June 2020 \$'000
Derivative financial liability - at fair value through profit or loss	<u>339,944</u>	<u>243,631</u>

Refer to note 29 for further information on financial instruments.

Refer to note 30 for further information on fair value measurement.

Note 22. Current liabilities - lease liabilities

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$'000	\$'000
Lease liabilities	1,653	1,513

Refer to note 24 and note 29 for further information on lease liabilities.

Note 23. Current liabilities - employee benefits

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$'000	\$'000
Annual leave	3,910	3,592
Long service leave	630	432
Employee benefits	2,138	307
	<u>6,678</u>	<u>4,331</u>

Note 24. Non-current liabilities - lease liabilities

	Consolidated	Consolidated
	30 June 2021	30 June 2020
	\$'000	\$'000
Lease liabilities	12,629	15,265

Refer to note 29 for further information on financial instruments.

Reconciliation

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	16,778	4,066
Additions	-	16,165
Remeasurements	10	-
Terminations	(109)	(457)
Interest expense	944	408
Repayment of lease liabilities and interest expense	(3,241)	(3,124)
Rent relief	(10)	(384)
Exchange movements	(90)	104
Closing balance	<u>14,282</u>	<u>16,778</u>
Representing:		
Lease liabilities (current) (note 22)	1,653	1,513
Lease liabilities (non-current)	<u>12,629</u>	<u>15,265</u>
	<u>14,282</u>	<u>16,778</u>

Note 25. Non-current liabilities - employee benefits

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
Long service leave	355	228
Shadow equity liability	10,957	5,286
Other	7	3
	<u>11,319</u>	<u>5,517</u>

Refer to note 41 for further information on the Shadow equity liability.

Note 26. Equity - issued capital

	Consolidated			
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	2,522,692	2,522,692	1,721	1,721
A class shares - fully paid	776,012	776,012	51,698	51,698
Management loan funded shares - fully paid	518,354	542,729	32,281	33,421
Treasury share loans	(515,495)	(539,870)	(32,156)	(33,325)
	<u>3,301,563</u>	<u>3,301,563</u>	<u>53,544</u>	<u>53,515</u>

Movements in ordinary share capital

Details	Date	Shares	\$'000
Balance at 1 July 2019		2,861,680	2,209
Issue of shares	24 January 2020	2,880	-
Conversion to A class shares	24 January 2020	(341,868)	(488)
Balance at 30 June 2020		<u>2,522,692</u>	<u>1,721</u>
Balance at 30 June 2021		<u>2,522,692</u>	<u>1,721</u>

Movements in A class shares

Details	Date	Shares	\$'000
Balance at 1 July 2019		-	-
Issue of shares	24 January 2020	434,144	52,625
Conversion to A class shares from ordinary shares	24 January 2020	341,868	488
Transaction costs		-	(1,415)
Balance at 30 June 2020		<u>776,012</u>	<u>51,698</u>
Balance at 30 June 2021		<u>776,012</u>	<u>51,698</u>

Note 26. Equity - issued capital (continued)

Movements in Management loan funded shares

Details	Date	Shares	\$'000
Balance at 1 July 2019		549,515	33,786
Cancellation of shares	13 December 2019	(3,906)	(251)
Cancellation of shares	24 January 2020	(2,880)	(114)
Balance at 30 June 2020		<u>542,729</u>	<u>33,421</u>
Cancellation of shares	14 July 2020	(4,000)	(157)
Cancellation of shares	23 November 2020	(3,500)	(157)
Cancellation of shares	23 November 2020	(4,500)	(177)
Cancellation of shares	15 February 2021	(1,375)	(54)
Cancellation of shares	15 February 2021	(2,750)	(177)
Cancellation of shares	15 February 2021	(4,500)	(177)
Cancellation of shares	1 March 2021	(3,750)	(241)
Balance at 30 June 2021		<u><u>518,354</u></u>	<u><u>32,281</u></u>

Cancellation of shares represents shares cancelled for employees who has terminated their employment with the Group.

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.

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.

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 share issue has been deducted from equity as the scheme is treated as an in-substance option and accounted for as a share-based payment.

Treasury share loans have been reclassified to share capital from reserves for better presentation purposes throughout the financial report.

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.

Note 26. Equity - issued capital (continued)

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.

Note 27. Equity - reserves

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
Foreign currency translation reserve	(1,405)	(3,080)
Share-based payments reserve	9,063	5,759
Share buy-back reserve	(6,399)	(6,399)
Financial assets at fair value reserve	2,350	2,145
Embedded derivative conversion reserve	20,553	20,553
	24,162	18,978
	24,162	18,978

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.

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.

Note 27. Equity - reserves (continued)

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 (Restated) \$'000	Share-buy back reserve \$'000	Financial assets at fair value reserve \$'000	Embedded derivative conversion reserve \$'000	Total \$'000
Balance at 1 July 2019	(394)	2,808	(6,399)	2,145	-	(1,840)
Foreign currency translation	(2,686)	-	-	-	-	(2,686)
Share-based payments	-	2,951	-	-	-	2,951
Conversion of preference shares	-	-	-	-	20,553	20,553
Balance at 30 June 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	<u>(1,405)</u>	<u>9,063</u>	<u>(6,399)</u>	<u>2,350</u>	<u>20,553</u>	<u>24,162</u>

Note 28. Equity - dividends

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

Note 29. 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. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

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.

Note 29. Financial instruments (continued)

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

Consolidated	Assets		Liabilities	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Canadian dollar	72	42	-	-
Euro	4,942	9,173	95	44
Great British pound	-	-	30	12
Indonesian rupiah	10	-	-	-
New Zealand dollar	757	262	-	-
Thai baht	5	-	-	-
US dollar	4,510	5,413	1,998	449
	<u>10,296</u>	<u>14,890</u>	<u>2,123</u>	<u>505</u>

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 2021	% change	AUD strengthened		% change	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>

Consolidated - 30 June 2020	% change	AUD strengthened		% change	AUD weakened	
		Effect on loss before tax	Effect on equity		Effect on loss before tax	Effect on equity
Canadian dollar	10%	(4)	-	10%	5	-
Euro	10%	(830)	-	10%	1,014	-
Great British pound	10%	1	-	10%	(1)	-
Indonesian rupiah	10%	-	-	10%	-	-
New Zealand dollar	10%	(24)	-	10%	29	-
Thai baht	10%	-	-	10%	-	-
US dollar	10%	(451)	-	10%	552	-
		<u>(1,308)</u>	<u>-</u>		<u>1,599</u>	<u>-</u>

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Note 29. Financial instruments (continued)

The Group's borrowings are subject to fixed 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.

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 (2020: US\$15,000,000) from Silicon Valley Bank available to it. As at 30 June 2021, and up to the date of signing of this report, the facility is undrawn.

Note 29. Financial instruments (continued)

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 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
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		<u>75,675</u>	<u>3,440</u>	<u>10,859</u>	<u>-</u>	<u>89,974</u>
Derivatives						
Derivative financial liability - at fair value through profit or loss*	-	339,944	-	-	-	339,944
Total derivatives		<u>339,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,944</u>

Consolidated - 30 June 2020	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
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	2,049	-	-	-	2,049
Other payables	-	1,390	-	-	-	1,390
Convertible preference shares financial liability*	-	65,941	-	-	-	65,941
<i>Interest-bearing - fixed rate</i>						
Lease liabilities	6.25%	3,366	2,614	10,534	3,780	20,294
Total non-derivatives		<u>72,746</u>	<u>2,614</u>	<u>10,534</u>	<u>3,780</u>	<u>89,674</u>
Derivatives						
Derivative financial liability - at fair value through profit or loss*	-	243,631	-	-	-	243,631
Total derivatives		<u>243,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,631</u>

* The preference share financial liabilities represents both the embedded derivative and the debt host contract. The Company is pursuing its IPO on the Australian Securities Exchange, where on the IPO the preference shares convert to ordinary shares and the convertible preference share financial liability and the derivative financial liability are derecognised and recognised within share capital and reserves .

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

Note 30. 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 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
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

Consolidated - 30 June 2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Investment at fair value through other comprehensive income	-	-	2,229	2,229
Total assets	-	-	2,229	2,229
Liabilities				
Derivative liability - preference share conversion feature	-	-	243,631	243,631
Total liabilities	-	-	243,631	243,631

There were no transfers between levels during the financial year.

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.

Note 30. Fair value measurement (continued)

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 2019	2,229	(280,252)	(278,023)
Gains recognised in profit or loss	-	16,068	16,068
Conversion to reserves	-	20,553	20,553
Balance at 30 June 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
Additions	-	-	-
Disposals	-	-	-
Balance at 30 June 2021	<u>2,434</u>	<u>(339,944)</u>	<u>(337,510)</u>
Total losses for the current year included in profit or loss that relate to level 3 assets held at the end of the current year	<u>-</u>	<u>(96,313)</u>	<u>(96,313)</u>
Total gains for the current year included in other comprehensive income that relate to level 3 assets held at the end of the current year	<u>205</u>	<u>-</u>	<u>205</u>

Note 31. 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 2021 \$	30 June 2020 \$
<i>Audit services - Deloitte Touche Tohmatsu</i>		
Audit or review of the financial statements	141,000	110,000
<i>Other services - Deloitte Touche Tohmatsu</i>		
Other services	26,234	148,925
	<u>167,234</u>	<u>258,925</u>
<i>Audit services - unrelated firms</i>		
Audit or review of the financial statements	85,458	74,069
<i>Other services - unrelated firms</i>		
Other services	136,677	158,089
	<u>222,135</u>	<u>232,158</u>

Note 32. Contingent liabilities

Consolidated	
30 June 2021	30 June 2020
\$'000	\$'000

Deferred bonus plan

The Group has implemented a deferred bonus plan to incentivise and reward key employees for continuing to contribute to the success of the Group until a 'realisation event' occurs.

The deferred bonus plan has been recognised as employee benefits in the financial year ended 30 June 2021.

-	225
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Note 33. Earnings per share

Consolidated	
30 June 2021	30 June 2020
\$'000	\$'000

Loss after income tax

(121,770)	(4,899)
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Number	Number
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Weighted average number of ordinary shares used in calculating basic earnings per share

3,301,563	3,052,518
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Weighted average number of ordinary shares used in calculating diluted earnings per share

3,301,563	3,052,518
-----------	-----------

\$

\$

Basic earnings per share

(36.88)	(1.60)
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Diluted earnings per share

(36.88)	(1.60)
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Share options, unpaid management loan funded shares and preference shares have been excluded from the above calculation as they were anti-dilutive.

Note 34. 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 2021	30 June 2020
\$	\$

Short-term employee benefits

1,474,250	1,490,130
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Long-term benefits

65,083	63,008
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Share-based payments

1,326,293	1,828,829
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2,865,626	3,381,967
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Note 35. Related party transactions

Parent entity

SiteMinder Limited is the parent entity.

Note 35. Related party transactions (continued)

Subsidiaries

Interests in subsidiaries are set out in note 37.

Key management personnel

Disclosures relating to key management personnel are set out in note 34.

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

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	30 June 2021	30 June 2020
	\$	\$
Current receivables:		
Loan to Director	-	28,658

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 36. 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 2021	30 June 2020
	\$'000	\$'000
Loss after income tax	(120,893)	(8,090)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss	(120,893)	(8,090)

Note 36. Parent entity information (continued)

Statement of financial position

	Parent	
	30 June 2021	30 June 2020
	\$'000	\$'000
Total current assets	25,229	37,151
Total non-current assets	72,641	73,522
Total assets	97,870	110,673
Total current liabilities	424,853	324,513
Total non-current liabilities	23,989	19,775
Total liabilities	448,842	344,288
Net liabilities	<u>(350,972)</u>	<u>(233,615)</u>
Equity		
Issued capital	53,544	53,515
Reserves	26,036	22,528
Accumulated losses	(430,552)	(309,658)
Total deficiency in equity	<u>(350,972)</u>	<u>(233,615)</u>

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 2021 and 30 June 2020.

Contingent liabilities

The parent entity had contingent liabilities in the form of a Deferred Bonus Plan as detailed in note 32. The value of the contingent liabilities at 30 June 2021 and 30 June 2020 were \$nil and \$225,000 respectively.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

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 37. 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 2021 %	30 June 2020 %
SiteMinder Distribution Limited	United Kingdom	100%	100%
SiteMinder Hospitality Corporation	United States of America	100%	100%
Globekey Systems Pty Ltd*	Australia	-	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%

* Globekey Systems Pty Ltd was deregistered on 16 June 2021.

Note 38. Reconciliation of loss after income tax to net cash provided by operating activities

	Consolidated	
	30 June 2021 \$'000	30 June 2020 \$'000
Loss after income tax expense for the year	(121,770)	(4,899)
Adjustments for:		
Depreciation and amortisation	13,505	9,883
Impairment of non-current assets	637	1,400
Net (gain)/loss on disposal of non-current assets	(5)	48
Share-based payments	3,304	2,951
Foreign exchange differences	1,127	(1,816)
Net allowance for expected credit losses	1,628	4,561
Interest income received	(151)	(160)
Rent relief	(10)	(384)
Lease remeasurements	10	-
Net fair value movement on embedded derivative	96,313	(16,068)
Lease surrendering	(109)	-
Change in operating assets and liabilities:		
Increase in trade receivables, other receivables and contract assets	(1,549)	(4,220)
Decrease in deferred tax assets	-	70
Decrease/(increase) in income tax refund due	65	(65)
Increase in trade and other payables	2,403	3,928
Increase/(decrease) in provision for income tax	25	(5)
Increase/(decrease) in deferred tax liabilities	2	(1)
Increase in employee benefits	8,149	6,244
Decrease in contract liabilities	(1,049)	(145)
Increase in other liabilities	8	138
Net cash provided by operating activities	<u>2,533</u>	<u>1,460</u>

Note 39. Non-cash investing and financing activities

	Consolidated	
	30 June 2021	30 June 2020
	\$'000	\$'000
Additions to the right-of-use assets	-	15,502
Leasehold improvements - lease make good	294	-
Shares issued under employee share plan	3,304	2,951
Gain on revaluation of financial assets	205	-
Fair value (loss)/gain on derivative financial instrument	(96,313)	16,068
	<u>(92,510)</u>	<u>34,521</u>

Note 40. 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 2019	68,566	4,066	280,252	352,884
Net cash used in financing activities	-	(2,716)	-	(2,716)
Net acquisition of leases	-	15,708	-	15,708
Exchange differences	-	104	-	104
Other changes	(2,625)	(384)	(36,621)	(39,630)
	<u>65,941</u>	<u>16,778</u>	<u>243,631</u>	<u>326,350</u>
Balance at 30 June 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
	<u>-</u>	<u>(109)</u>	<u>96,313</u>	<u>96,204</u>
Balance at 30 June 2021	<u>65,941</u>	<u>14,282</u>	<u>339,944</u>	<u>420,167</u>

Note 41. 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 25).

The share-based payment expense is disclosed in note 7.

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.

Note 41. Share-based payments (continued)

30 June 2021						
Grant date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
11/10/2016	\$39.37	8,058	-	-	-	8,058
01/09/2018	\$64.30	3,000	-	-	-	3,000
18/12/2018	\$64.30	3,500	-	-	-	3,500
25/01/2019	\$64.30	2,500	-	-	-	2,500
03/06/2019	\$64.30	25,000	-	-	-	25,000
28/06/2019	\$13.73	4,371	-	-	-	4,371
31/08/2019	\$64.30	14,218	-	-	-	14,218
31/01/2020	\$138.00	4,000	-	-	(4,000)	-
01/07/2020	\$138.00	-	47,000	-	-	47,000
		64,647	47,000	-	(4,000)	107,647

Weighted average exercise price		\$62.33	\$138.00	\$0.00	\$138.00	\$92.56
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30 June 2020

Grant date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
11/10/2016	\$39.37	8,058	-	-	-	8,058
01/09/2018	\$64.30	3,000	-	-	-	3,000
18/12/2018	\$64.30	3,500	-	-	-	3,500
25/01/2019	\$64.30	2,500	-	-	-	2,500
03/06/2019	\$64.30	25,000	-	-	-	25,000
28/06/2019	\$13.73	4,371	-	-	-	4,371
31/08/2019	\$64.30	14,218	-	-	-	14,218
31/01/2020	\$138.00	-	4,000	-	-	4,000
		60,647	4,000	-	-	64,647

Weighted average exercise price		\$57.34	\$138.00	\$0.00	\$0.00	\$62.33
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Set out below are the number of options exercisable at the end of the financial year:

Grant date	30 June 2021 Number	30 June 2020 Number
11/10/2016	8,058	6,043
01/09/2018	1,500	750
18/12/2018	1,750	875
25/01/2019	1,250	625
03/06/2019	12,500	6,250
28/06/2019	2,186	1,093
31/08/2019	3,555	-
01/07/2020	11,750	-
	<u>42,549</u>	<u>15,636</u>

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.

Note 41. Share-based payments (continued)

30 June 2021

	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
23/04/2013	\$7.90	50,970	-	-	-	50,970
11/04/2014	\$24.51	9,349	-	-	-	9,349
18/11/2014	\$29.24	29,401	-	-	-	29,401
08/05/2017	\$39.37	67,470	-	-	(4,500)	62,970
16/10/2017	\$39.37	34,000	-	-	(12,625)	21,375
13/02/2018	\$64.30	17,206	-	-	-	17,206
25/02/2018	\$64.30	22,941	-	-	-	22,941
09/08/2018	\$39.37	28,076	-	-	-	28,076
01/11/2018	\$64.30	25,809	-	-	-	25,809
06/12/2018	\$64.30	28,677	-	-	-	28,677
07/01/2019	\$64.30	118,255	-	-	-	118,255
07/01/2019	\$169.13	59,128	-	-	-	59,128
25/01/2019	\$64.30	38,588	-	-	(7,250)	31,338
15/02/2019	\$64.30	10,000	-	-	-	10,000
19/06/2019	\$39.37	2,859	-	-	-	2,859
		<u>542,729</u>	<u>-</u>	<u>-</u>	<u>(24,375)</u>	<u>518,354</u>
Weighted average exercise price		\$61.76	\$0.00	\$0.00	\$46.79	\$62.46

30 June 2020

Grant date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
23/04/2013	\$7.90	50,970	-	-	-	50,970
11/04/2014	\$24.51	9,349	-	-	-	9,349
18/11/2014	\$29.24	29,401	-	-	-	29,401
08/05/2017	\$39.37	67,470	-	-	-	67,470
16/10/2017	\$39.37	34,000	-	-	-	34,000
13/02/2018	\$64.30	17,206	-	-	-	17,206
25/02/2018	\$64.30	22,941	-	-	-	22,941
09/08/2018	\$39.37	30,956	-	-	(2,880)	28,076
01/11/2018	\$64.30	25,809	-	-	-	25,809
06/12/2018	\$64.30	28,677	-	-	-	28,677
07/01/2019	\$64.30	118,255	-	-	-	118,255
07/01/2019	\$169.13	59,128	-	-	-	59,128
25/01/2019	\$64.30	42,494	-	-	(3,906)	38,588
15/02/2019	\$64.30	10,000	-	-	-	10,000
19/06/2019	\$39.37	2,859	-	-	-	2,859
		<u>549,515</u>	<u>-</u>	<u>-</u>	<u>(6,786)</u>	<u>542,729</u>
Weighted average exercise price		\$61.66	\$0.00	\$0.00	\$53.72	\$61.76

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

Grant date	30 June 2021 Number	30 June 2020 Number
06/12/2018	14,339	7,169
07/01/2019	88,692	44,346
25/01/2019	6,647	3,324
	<u>109,678</u>	<u>54,839</u>

Note 41. Share-based payments (continued)

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
01/07/2020	01/07/2024	\$138.00	\$138.00	46.50%	0.39%	\$44.34

Note 42. Events after the reporting period

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')

The Company is advanced in its plans to raise capital to support its growth objective by conducting an IPO on the ASX. The IPO is scheduled to take place by 30 June 2022.

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 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 2021 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 2021 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.

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



Sankar Narayan
Director

5 October 2021

Independent Auditor's Report to the Members of SiteMinder Limited

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 2021, 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 the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Director's Report, 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 scepticism 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Joshua Tanchel
Partner
Chartered Accountants
Sydney, 5 October 2021

SiteMinder Limited and its controlled entities

(Formerly known as Online Ventures Pty Ltd)

ABN 59 121 931 744

Consolidated special purpose financial report for the financial year ended - 30 June 2020

We draw to the attention of the users of the 30 June 2020 Financial Report, Note 4 (“Restatement of Comparatives”) of the 30 June 2021 Financial Report, which restated certain balances disclosed in the 30 June 2020 Financial Report.

SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Contents
30 June 2020

Directors' report	2
Auditor's independence declaration	4
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of financial position	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9
Directors' declaration	33
Independent auditor's report to the members of SiteMinder Limited	34

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Directors' report
30 June 2020**

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 2020.

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:

Michael Gregory Ford - Chairman
Sankar Narayan - Chief Executive Officer
Leslie Szekely
Paul Robert Wilson
David Yuan
John Burke (appointed on 26 March 2020)
Erik Blachford (resigned on 26 March 2020)

Principal activities

The Group's principal activities in the course of the financial year were implementing Channel Manager Software and Online Hotel Booking Systems to assist worldwide accommodation providers in gaining more online bookings and managing their online room distribution.

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

The loss for the Group after providing for income tax amounted to \$19,542,000 (30 June 2019: profit of \$162,000).

Significant changes in the state of affairs

In January 2020, the Company raised \$50 million in additional equity capital to pursue its global strategic growth objectives.

On 11 March 2020, the Company changed name from Online Ventures Pty Ltd to SiteMinder Limited and also changed from a proprietary company to a public company.

COVID-19 was declared a pandemic in March 2020 by the World Health Organisation. Prior to the end of the financial year, there were considerable economic impacts in Australia and globally arising from the outbreak of COVID-19 and the resulting government quarantine measures. COVID-19 therefore had an impact on the revenue results of the Group in the final quarter of the year ended 30 June 2020.

The impact of COVID-19 was tempered by the nature of the Group's product offering of subscription and transaction based online services and organic growth in a number of the Group's products. In addition, the Group implemented mitigation strategies which included:

- reduction of global staff numbers and short term reduction of staff working hours;
- closure of physical offices;
- restrictions on travel and other non-essential costs; and
- customer retention initiatives.

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

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.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Directors' report
30 June 2020**

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.

No other matter or circumstance has arisen since 30 June 2020 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

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

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

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.

Rounding of amounts

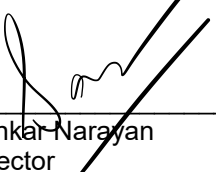
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain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



Sankar Narayan
Director

30 September 2020

30 September 2020

The Board of Directors
Siteminder Limited
Bond Store 3
30 Windmill St Sydney, NSW, 2000
Australia

Dear Board Members,

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 2020, 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;
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Joshua Tanchel
Partner
Chartered Accountants

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2020**

	Note	Consolidated 2020 \$'000	2019 \$'000
Revenue		112,196	96,862
Cost of sales		(29,150)	(23,440)
Gross profit		<u>83,046</u>	<u>73,422</u>
Expenses			
Sales and marketing expenditure		(44,079)	(34,104)
Research and development expenditure		(18,871)	(14,595)
General and administration expenditure		(31,359)	(20,842)
Total operating expenses		<u>(94,309)</u>	<u>(69,541)</u>
(Loss)/profit before tax, depreciation, amortisation and impairment, other income and other expenses		(11,263)	3,881
Interest revenue calculated using the effective interest method		160	25
Finance costs	4	(408)	-
Depreciation, amortisation and impairment expense	4	(11,283)	(4,314)
Business development grant	5	1,087	-
Other income	6	2,442	820
Other expenses		(48)	(170)
(Loss)/profit before income tax expense	4	(19,313)	242
Income tax expense		(229)	(80)
(Loss)/profit after income tax expense for the year		(19,542)	162
Other comprehensive (loss)/income			
<i>Items that may 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		-	2,145
Foreign currency translation		(2,686)	(285)
Other comprehensive (loss)/income for the year, net of tax		<u>(2,686)</u>	<u>1,860</u>
Total comprehensive (loss)/income for the year		<u><u>(22,228)</u></u>	<u><u>2,022</u></u>

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

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Consolidated statement of financial position
As at 30 June 2020**

	Note	Consolidated 2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	7	46,005	15,998
Trade and other receivables	8	5,434	5,211
Contract assets	9	765	1,329
Total current assets		<u>52,204</u>	<u>22,538</u>
Non-current assets			
Other financial assets	10	4,277	3,767
Property, plant and equipment	11	1,703	1,930
Right-of-use assets	12	14,859	-
Intangibles	13	24,340	15,580
Deferred tax		3	73
Total non-current assets		<u>45,182</u>	<u>21,350</u>
Total assets		<u>97,386</u>	<u>43,888</u>
Liabilities			
Current liabilities			
Trade and other payables	14	11,014	9,037
Contract liabilities	15	5,069	5,214
Lease liabilities	16	1,513	-
Employee benefits	17	4,331	3,329
Total current liabilities		<u>21,927</u>	<u>17,580</u>
Non-current liabilities			
Lease liabilities	18	15,265	-
Deferred tax		43	44
Employee benefits	19	4,943	275
Provisions	20	138	-
Other		-	561
Total non-current liabilities		<u>20,389</u>	<u>880</u>
Total liabilities		<u>42,316</u>	<u>18,460</u>
Net assets		<u>55,070</u>	<u>25,428</u>
Equity			
Issued capital	21	152,781	104,561
Reserves	22	(35,056)	(36,114)
Accumulated losses		<u>(62,655)</u>	<u>(43,019)</u>
Total equity		<u>55,070</u>	<u>25,428</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Consolidated statement of changes in equity
For the year ended 30 June 2020**

Consolidated	Issued capital \$'000	Foreign currency translation reserve \$'000	Loan/Share -based payment reserve \$'000	Share buy-back reserve \$'000	Financial assets at fair value reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2018	79,610	(109)	(7,494)	(6,399)	-	(43,181)	22,427
Profit after income tax expense for the year	-	-	-	-	-	162	162
Other comprehensive (loss)/income for the year, net of tax	-	(285)	-	-	2,145	-	1,860
Total comprehensive (loss)/income for the year	-	(285)	-	-	2,145	162	2,022
<i>Transactions with owners in their capacity as owners:</i>							
Share-based payments	-	-	866	-	-	-	866
Exercise of share options	-	-	113	-	-	-	113
Management shares returned	(992)	-	992	-	-	-	-
Management share issue	25,943	-	(25,943)	-	-	-	-
Balance at 30 June 2019	<u>104,561</u>	<u>(394)</u>	<u>(31,466)</u>	<u>(6,399)</u>	<u>2,145</u>	<u>(43,019)</u>	<u>25,428</u>
Consolidated	Issued capital \$'000	Foreign currency translation reserve \$'000	Loan/Share -based payment reserve \$'000	Share buy-back reserve \$'000	Financial assets at fair value reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2019	104,561	(394)	(31,466)	(6,399)	2,145	(43,019)	25,428
Adjustment on adoption of AASB 16 (note 2)	-	-	-	-	-	(94)	(94)
Balance at 1 July 2019 - restated	104,561	(394)	(31,466)	(6,399)	2,145	(43,113)	25,334
Loss after income tax expense for the year	-	-	-	-	-	(19,542)	(19,542)
Other comprehensive loss for the year, net of tax	-	(2,686)	-	-	-	-	(2,686)
Total comprehensive loss for the year	-	(2,686)	-	-	-	(19,542)	(22,228)
<i>Transactions with owners in their capacity as owners:</i>							
Share-based payments	-	-	3,294	-	-	-	3,294
Settlement of loans	-	-	85	-	-	-	85
Management shares returned	(365)	-	365	-	-	-	-
Contributions of equity, net of transaction costs	48,585	-	-	-	-	-	48,585
Balance at 30 June 2020	<u>152,781</u>	<u>(3,080)</u>	<u>(27,722)</u>	<u>(6,399)</u>	<u>2,145</u>	<u>(62,655)</u>	<u>55,070</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Consolidated statement of cash flows
For the year ended 30 June 2020**

	Note	Consolidated 2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		112,204	99,036
Payments to suppliers and employees (inclusive of GST)		(111,053)	(89,097)
Interest paid		(408)	-
Income taxes paid		(230)	(120)
		<u> </u>	<u> </u>
Net cash provided by operating activities	30	<u>513</u>	<u>9,819</u>
Cash flows from investing activities			
Interest received		160	25
Payments for property, plant and equipment		(1,064)	(910)
Payments for intangibles		(14,284)	(9,238)
Payments for security deposits		(484)	(433)
Proceeds from disposal of property, plant and equipment		-	26
		<u> </u>	<u> </u>
Net cash used in investing activities		<u>(15,672)</u>	<u>(10,530)</u>
Cash flows from financing activities			
Proceeds from issue of shares		50,000	-
Share issue transaction costs		(1,415)	-
Proceeds from settlement of loan		85	-
Proceeds from exercise of share options		-	113
Proceeds from borrowings		19,990	-
Repayment of borrowings		(19,570)	-
Repayment of lease liabilities		(2,716)	-
		<u> </u>	<u> </u>
Net cash provided by financing activities		<u>46,374</u>	<u>113</u>
Net increase/(decrease) in cash and cash equivalents		31,215	(598)
Cash and cash equivalents at the beginning of the financial year		15,998	16,914
Effects of exchange rate changes on cash and cash equivalents		(1,208)	(318)
		<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial year	7	<u><u>46,005</u></u>	<u><u>15,998</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

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').

On 11 March 2020, the Company changed name from Online Ventures Pty Ltd to SiteMinder Limited and also changed from a proprietary company to a public company.

SiteMinder Limited is a 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

The Group's principal activities in the course of the financial year were implementing Channel Manager Software and Online Hotel Booking Systems to assist worldwide accommodation providers in gaining more online bookings and managing their online room distribution.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2020. The directors have the power to amend and reissue the financial statements.

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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 2. Significant accounting policies (continued)

When adopting AASB 16 from 1 July 2019, the Group has applied the following practical expedients:

- applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets;
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- not applying AASB 16 to contracts that were not previously identified as containing a lease.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on the statement of financial position as at 1 July 2019 was as follows (increase/(decrease)):

	1 July 2019 \$'000
Assets	
Right-of-use assets (AASB 16)	<u>3,295</u>
Liabilities	
Lease liabilities - current (AASB 16)	2,749
Lease liabilities - non-current (AASB 16)	1,317
Other liabilities - non-current (derecognition of AASB 117 liabilities)	<u>(677)</u>
Total liabilities	<u>3,389</u>
Equity	
Accumulated losses	<u>(94)</u>

Reconciliation from operating lease commitments disclosure at 30 June 2019 to the right-of-use assets at 1 July 2019:

	1 July 2019 \$'000
Operating lease commitments as at 1 July 2019 (AASB 117)	13,541
Not qualified as a leases under AASB 16	(9,314)
Short term leases excluded under AASB 16	(63)
Other qualified leases under AASB 16	<u>63</u>
Adjusted lease commitments as at 1 July 2019 (AASB 117)	4,227
Net impact of discounting* not accounted for under AASB 117	<u>(161)</u>
Lease liabilities as at 1 July 2019 (AASB 16)	<u>4,066</u>
Lease incentives previously accounted for under AASB117	(677)
Impact on opening retained profits as at 1 July 2019	<u>(94)</u>
Right-of-use assets as at 1 July 2019 (AASB 16)	<u><u>3,295</u></u>

* The lease payments have been discounted based on the incremental borrowing rate of 6.25%.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 2. Significant accounting policies (continued)

AASB 2020-4 Amendment to Australian Accounting Standards - Covid-19-Related Rent Concessions

The Group has early adopted the amendment to AASB 16 from 1 July 2019. The amendment provides a practical expedient for lessees to account for COVID-19-related rent concessions that: result in lease payments that are substantially the same as, or less than, the consideration for the lease immediately prior to the change; where any reduction in the lease payments affects only payments originally due on or before 30 June 2021; and where there is no substantive change to other terms and conditions of the lease. The practical expedient allows an entity not to assess rent concessions meeting the criteria as a lease modification. As a result, to the extent that lease concessions represent a forgiveness or waiver of lease payments, such concessions are treated as variable lease payments recognised in profit or loss with a corresponding adjustment to the lease liability. To the extent that the lease concession in substance represents a delay in lease repayments such that lease consideration is not changed, the lease liability is not extinguished. Interest continues to accrue for that period. The Group has applied the practical expedient to all rent concessions that meet the abovementioned criteria.

Basis of preparation

In the directors' opinion, the Group is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of SiteMinder Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of SiteMinder Limited.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

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.

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 28.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SiteMinder Limited as at 30 June 2020 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.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 2. Significant accounting policies (continued)

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.

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 functional currency of the operations 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.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

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. 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.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

Revenue relating to the provision of service is recognised when the service is provided.

Interest

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

Other revenue

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

Note 2. Significant accounting policies (continued)

Government grants

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:

- (i) JobKeeper support payments in Australia - the company has received JobKeeper support payments from the Australian Government which are passed on to eligible employees. The first JobKeeper payment scheme runs for the fortnights from 30 March 2020 until 27 September 2020.
- (ii) Temporary Wage Subsidy Scheme in Ireland - the company has received grants under the Scheme in Ireland which started on 26 March 2020 and runs until 31 August 2020.
- (iii) Coronavirus Job Retention Scheme in England - the company has received Job Retention Scheme payments from the UK government. The scheme began on 1 March 2020 and will close on 31 October 2020.

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.

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

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.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 2. Significant accounting policies (continued)

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.

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.

Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

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.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 2. Significant accounting policies (continued)

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 and 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.

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	1 to 6 years
Furniture and fittings	1 to 7 years
Office equipment	1 to 4 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 3 to 6 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.

Note 2. Significant accounting policies (continued)

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 are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of 1 to 3 years.

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. 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. Amortisation is calculated on a straight-line basis over the period of their expected benefit, being their finite useful life of 5 years

Development costs have a finite life of 5 years and are amortised on a systematic basis matched to the future economic benefits 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

These amounts 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.

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.

Note 2. Significant accounting policies (continued)

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. 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.

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.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 2. Significant accounting policies (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

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.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

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.

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 IPO), depending on the satisfaction of vesting conditions. The grants are accounted based on recognising the expense on a straight-line basis from grant date to vest date.

The plan is considered to be a cash settled share based payment plan and therefore recorded as a liability that is subsequently measured at fair value at the end of each reporting period.

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 that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Note 2. Significant accounting policies (continued)

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.

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.

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.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 2. Significant accounting policies (continued)

Comparatives

Certain comparatives in the statement of profit or loss and other comprehensive income and the statement of financial position have been reclassified to align with current year presentation. There was no change to the net assets or loss for the year as a result of any reclassification.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

AASB 2020-2 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities and AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

These standards are applicable to annual reporting periods beginning on or after 1 July 2021. AASB 2020-2 will prohibit certain for-profit entities from preparing special purpose financial statements and AASB 1060 provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. Given that the Group will be moving to general purpose financial statements in the future, there is likely to be increased disclosure for areas such as key management personnel, related parties, tax and financial instruments; and some disclosures will be removed. If the Group adopts the standards prior to the mandatory application date it will be able to take advantage of certain special transitional disclosure relief relating to comparative information in the first year of adoption.

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 cost of 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 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.

Useful life of capitalised development costs

The Group regularly considers the useful life of development costs, which is currently estimated to be 5 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.

Impairment of non-financial assets (other than goodwill and other indefinite life intangible assets)

The Group assesses impairment of non-financial assets (other than goodwill and other indefinite life intangible assets) at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

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

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

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 largely not been recorded.

Note 4. (Loss)/profit before income tax expense

	Consolidated	
	2020	2019
	\$'000	\$'000
(Loss)/profit before income tax includes the following specific expenses:		
<i>Depreciation, amortisation and impairment</i>		
Property, plant and equipment	1,203	950
Right-of-use assets	2,834	-
Intangible assets	5,846	3,364
Impairment of right-of-use assets	773	-
Impairment of intangible assets	627	-
	<u>11,283</u>	<u>4,314</u>
<i>Allowance for expected credit losses</i>		
Allowance for expected credit losses	4,561	1,085
	<u>4,561</u>	<u>1,085</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	408	-
	<u>408</u>	<u>-</u>
<i>Net loss on disposal</i>		
Net loss on disposal of non-current assets	48	-
	<u>48</u>	<u>-</u>
<i>Leases</i>		
Minimum lease payments (AASB 117)	-	2,557
Short-term and low-value assets lease payments	1,017	-
	<u>1,017</u>	<u>2,557</u>
Employee benefits expense*	97,297	70,501
<i>Employee benefits expense is comprised of:</i>		
Employee benefits	93,439	69,635
Expenses associated with shared based payment plans (note 2)	3,294	866
Expenses associated with shadow equity program (note 2)	4,712	-
Government grants received - COVID-19 (note 2)	(4,148)	-
	<u>97,297</u>	<u>70,501</u>

* Costs incurred in relation to employee benefits amounting to \$15,230,000 (2019: \$9,044,000) are directly attributable to development activities and therefore capitalised in intangible assets.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 5. Business development grant

	Consolidated	
	2020	2019
	\$'000	\$'000
Business development grant	1,087	-

The business development grant is funding received from the Industrial Development Agency (Ireland) in return for establishing and carrying on an undertaking in Ireland.

Note 6. Other income

	Consolidated	
	2020	2019
	\$'000	\$'000
Net gain on disposal of property plant and equipment	-	19
Net foreign exchange gain	2,224	801
Other income	218	-
	<u>2,442</u>	<u>820</u>

Note 7. Current assets - cash and cash equivalents

	Consolidated	
	2020	2019
	\$'000	\$'000
Cash at bank	46,005	15,998

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

Note 8. Current assets - trade and other receivables

	Consolidated	
	2020	2019
	\$'000	\$'000
Trade receivables	5,823	3,810
Less: Allowance for expected credit losses	(3,321)	(413)
	<u>2,502</u>	<u>3,397</u>
Other receivables	1,710	144
Prepayments	1,157	1,670
Income tax refund due	65	-
	<u>5,434</u>	<u>5,211</u>

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 9. Current assets - contract assets

	Consolidated	
	2020	2019
	\$'000	\$'000
Contract assets	765	1,329

Note 10. Non-current assets - other financial assets

	Consolidated	
	2020	2019
	\$'000	\$'000
Investment - at fair value through other comprehensive income	2,229	2,229
Security deposits	2,022	1,538
Long term deposits	26	-
	<u>4,277</u>	<u>3,767</u>

Investment refers to a 5.8% interest in Rezdy Pty Ltd (ACN: 153 242 632) purchased in 30 April 2012.

Note 11. Non-current assets - property, plant and equipment

	Consolidated	
	2020	2019
	\$'000	\$'000
Leasehold improvements - at cost	1,793	1,984
Less: Accumulated depreciation	<u>(1,157)</u>	<u>(1,203)</u>
	636	781
Fixtures and fittings - at cost	743	823
Less: Accumulated depreciation	<u>(540)</u>	<u>(438)</u>
	203	385
Office equipment - at cost	2,598	2,145
Less: Accumulated depreciation	<u>(1,734)</u>	<u>(1,381)</u>
	864	764
	<u>1,703</u>	<u>1,930</u>

Note 12. Non-current assets - right-of-use assets

	Consolidated	
	2020	2019
	\$'000	\$'000
Land and buildings - right-of-use	15,502	-
Less: Accumulated depreciation	<u>(643)</u>	<u>-</u>
	<u>14,859</u>	<u>-</u>

The Group leases buildings for its offices under agreements of between 3 to 6 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 12. Non-current assets - right-of-use assets (continued)

Reconciliation

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

	Land and buildings \$'000
Recognition on initial application of AASB 16 - 1 July 2019	3,295
Additions	15,502
Terminations	(391)
Impairment expense	(773)
Depreciation expense	(2,834)
Exchange movements	60
	<hr/>
Balance at 30 June 2020	<u>14,859</u>

As a result of the COVID-19 pandemic, regulations were imposed by governments regarding quarantining, travel and social distancing. To comply with these regulations, on 17 March 2020, the Group issued a global directive to staff to work from home and closed its offices. The directive was extended to 31 December 2020 due to the ongoing risk of infection. In addition, the consolidation of the Sydney Australia offices to the new premises in Millers Point have rendered the previous multiple locations redundant.

Further to the work-from-home directive and the ongoing risk posed by COVID-19, most of the Group's leased premises remained empty of staff at reporting date and are expected to remain so until their respective termination dates. The leases for a number of these premises terminate prior to 31 December 2020. Management determined that these leased premises no longer contribute value to the Group's business and the related lease Right-of-use assets were impaired in full for the following locations:

- Harrington Street, Sydney, Australia
- Galway, Ireland
- London, England
- Dallas, USA

The impairment expense of \$773,000 is included in depreciation, amortisation and impairment expense in the Statement of profit or loss and other comprehensive income.

Note 13. Non-current assets - intangibles

	Consolidated	
	2020 \$'000	2019 \$'000
Goodwill - at cost	<u>632</u>	<u>632</u>
Software - at cost	869	867
Less: Accumulated amortisation	<u>(351)</u>	<u>(174)</u>
	<u>518</u>	<u>693</u>
Intangible assets - at cost	37,255	23,038
Less: Accumulated amortisation*	<u>(14,065)</u>	<u>(8,783)</u>
	<u>23,190</u>	<u>14,255</u>
	<u>24,340</u>	<u>15,580</u>

* Accumulated amortisation includes impairment of \$627,000 (2019: \$nil).

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 13. Non-current assets - intangibles (continued)

Goodwill relates to the purchase of Globekey Systems Pty Ltd and is mainly attributable to the synergies from integrating the company into the Group's existing technology business.

Note 14. Current liabilities - trade and other payables

	Consolidated	
	2020	2019
	\$'000	\$'000
Trade payables	2,049	2,989
GST, VAT and sales tax liabilities	632	606
Employment taxes payable	3,294	1,484
Income tax payable	-	5
Other payables and accruals	5,039	3,953
	<u>11,014</u>	<u>9,037</u>

Note 15. Current liabilities - contract liabilities

	Consolidated	
	2020	2019
	\$'000	\$'000
Contract liabilities	<u>5,069</u>	<u>5,214</u>

Note 16. Current liabilities - lease liabilities

	Consolidated	
	2020	2019
	\$'000	\$'000
Lease liability	<u>1,513</u>	<u>-</u>

Refer to note 18 for further information.

Note 17. Current liabilities - employee benefits

	Consolidated	
	2020	2019
	\$'000	\$'000
Annual leave	3,592	2,120
Long service leave	432	274
Employee benefits	307	935
	<u>4,331</u>	<u>3,329</u>

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 18. Non-current liabilities - lease liabilities

	Consolidated	
	2020	2019
	\$'000	\$'000
Lease liability	15,265	-

Reconciliation

Reconciliation of the lease liability (current and non-current) at the beginning and end of the current financial year are set out below:

	\$'000
Recognition on initial application of AASB 16 - 1 July 2019	4,066
Additions	16,165
Terminations	(457)
Interest expense	408
Repayment of lease liabilities and interest expense	(3,124)
Rent relief	(384)
Exchange movements	104
Balance at 30 June 2020	16,778
Representing:	
Lease liability (current)	1,513
Lease liability (non-current)	15,265
	16,778

Note 19. Non-current liabilities - employee benefits

	Consolidated	
	2020	2019
	\$'000	\$'000
Long service leave	228	264
Shadow equity liability	4,712	-
Other	3	11
	4,943	275

Note 20. Non-current liabilities - provisions

	Consolidated	
	2020	2019
	\$'000	\$'000
Lease make good	138	-

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 21. Equity - issued capital

	Consolidated			
	2020	2019	2020	2019
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	2,522,692	2,861,680	1,721	2,209
A class shares fully paid	776,012	-	51,724	-
Series A convertible preference shares - fully paid	645,953	708,860	5,103	5,600
Series B convertible preference shares - fully paid	1,065,568	1,138,797	30,946	33,100
Series C convertible preference shares - fully paid	507,992	507,992	19,911	19,911
Series D convertible preference shares - fully paid	136,556	136,556	9,955	9,955
Management loan funded shares - fully paid	542,729	549,515	33,421	33,786
	<u>6,197,502</u>	<u>5,903,400</u>	<u>152,781</u>	<u>104,561</u>

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.

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.

Convertible preference shares

Each convertible preference share confers all the rights attaching to one fully paid ordinary share with the addition of a preferential right of return on capital on a winding up or distribution of proceeds of sale.

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 share issue has been deducted from equity as the scheme is treated as an in-substance option and accounted for as a share-based payment.

Note 22. Equity - reserves

	Consolidated	
	2020	2019
	\$'000	\$'000
Foreign currency translation reserve	(3,080)	(394)
Loan/Share-based payments reserve	(27,722)	(31,466)
Share buy-back reserve	(6,399)	(6,399)
Financial assets at fair value reserve	2,145	2,145
	<u>(35,056)</u>	<u>(36,114)</u>

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 22. Equity - reserves (continued)

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. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

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.

Loan/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.

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.

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	Loan/share- based payment reserve \$'000	Share-buy back reserve \$'000	Financial assets at fair value reserve \$'000	Total \$'000
Balance at 1 July 2018	(109)	(7,494)	(6,399)	-	(14,002)
Foreign currency translation	(285)	-	-	-	(285)
Share-based payments	-	866	-	-	866
Exercise of share options	-	113	-	-	113
Management shares returned	-	992	-	-	992
Management shares issues	-	(25,943)	-	-	(25,943)
Gain on the revaluation of financial assets	-	-	-	2,145	2,145
Balance at 30 June 2019	(394)	(31,466)	(6,399)	2,145	(36,114)
Foreign currency translation	(2,686)	-	-	-	(2,686)
Share-based payments	-	3,294	-	-	3,294
Settlement of loans	-	85	-	-	85
Management shares returned	-	365	-	-	365
Balance at 30 June 2020	<u>(3,080)</u>	<u>(27,722)</u>	<u>(6,399)</u>	<u>2,145</u>	<u>(35,056)</u>

Note 23. Equity - dividends

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

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 24. 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:

	Consolidated	
	2020	2019
	\$	\$
<i>Audit services - Deloitte Touche Tohmatsu</i>		
Audit of the financial statements	110,000	118,500
<i>Other services - Deloitte Touche Tohmatsu</i>		
Preparation of the tax return	8,925	8,000
	<u>118,925</u>	<u>126,500</u>

Note 25. Contingent liabilities

	Consolidated	
	2020	2019
	\$'000	\$'000
Deferred Bonus Plan		
The Group has implemented a deferred bonus plan to incentivise and reward key employees for continuing to contribute to the success of the Group until a "Realisation Event" occurs.		
At reporting date, no realisation event had occurred and it is not practicable to estimate the time of the realisation event.		
	<u>225</u>	<u>225</u>

Note 26. Commitments

	Consolidated	
	2020	2019
	\$'000	\$'000
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	5,990
One to five years	-	7,551
	<u>-</u>	<u>13,541</u>

Operating lease commitments were disclosed under the requirements of AASB 117 'Leases'. AASB 117 was superseded by AASB 16 'Leases' effective 1 July 2019. Operating leases commitments are no longer disclosed under AASB 16.

Note 27. Credit facilities

The Group has a credit facility of \$15,000,000 (2019: \$15,000,000) from Silicon Valley Bank available to it. As at 30 June 2020, and to the date of signing of this report, the facility is undrawn.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 28. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2020	2019
	\$'000	\$'000
Loss after income tax	(23,978)	(2,206)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss	(23,978)	(2,206)

Statement of financial position

	Parent	
	2020	2019
	\$'000	\$'000
Total current assets	36,935	7,622
Total non-current assets	73,891	54,073
Total assets	110,826	61,695
Total current liabilities	14,900	12,840
Total non-current liabilities	19,201	558
Total liabilities	34,101	13,398
Net assets	<u>76,725</u>	<u>48,297</u>
Equity		
Issued capital	152,781	104,560
Reserves	(31,509)	(35,722)
Accumulated losses	(44,547)	(20,541)
Total equity	<u>76,725</u>	<u>48,297</u>

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 2020 and 30 June 2019.

Contingent liabilities

The parent entity had contingent liabilities in the form of a Deferred Bonus Plan as detailed in note 25. The value of the contingent liabilities at 30 June 2020 and 30 June 2019 were \$225,000 and \$225,000 respectively.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 28. Parent entity information (continued)

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.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 29. 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	
		2020 %	2019 %
SiteMinder Distribution Limited	United Kingdom	100%	100%
SiteMinder Hospitality Corporation	United States of America	100%	100%
Globekey Systems Pty Ltd**	Australia	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%	-

* Prior to incorporation, entities operated as representative offices of SiteMinder Limited.

** Globekey Systems Pty Ltd is currently in the process of being deregistered.

*** SiteMinder (India) Private Limited was registered on 9 August 2019.

**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Notes to the consolidated financial statements
30 June 2020**

Note 30. Reconciliation of (loss)/profit after income tax to net cash provided by operating activities

	Consolidated	
	2020	2019
	\$'000	\$'000
(Loss)/profit after income tax expense for the year	(19,542)	162
Adjustments for:		
Depreciation and amortisation	9,883	4,314
Impairment of non-current assets	1,400	-
Write off of property, plant and equipment	-	3
Net loss/(gain) on disposal of non-current assets	48	(19)
Share-based payments	3,294	866
Foreign exchange differences	(2,763)	(860)
Net allowance for expected credit losses	4,561	1,085
Interest income received	(160)	(25)
Rent relief	(384)	-
Change in operating assets and liabilities:		
Increase in trade receivables, other receivables and contract assets	(4,220)	(2,298)
Decrease/(increase) in deferred tax assets	70	(70)
Increase in income tax refund due	(65)	-
Increase in trade and other payables	2,734	4,610
Decrease in provision for income tax	(5)	-
Increase/(decrease) in deferred tax liabilities	(1)	30
Increase in employee benefits	5,670	1,014
Increase/(decrease) in contract liabilities	(145)	981
Increase in other liabilities	138	26
Net cash provided by operating activities	<u>513</u>	<u>9,819</u>

Note 31. Events after the reporting period

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.

No other matter or circumstance has arisen since 30 June 2020 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.

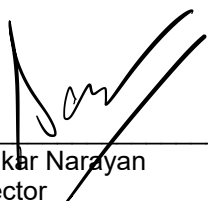
**SiteMinder Limited and its controlled entities
(Formerly known as Online Ventures Pty Ltd)
Directors' declaration
30 June 2020**

In the directors' opinion:

- the Group is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of SiteMinder Limited;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 2 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 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.

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



Sankar Narayan
Director

30 September 2020

Independent Auditor's Report to the members of Siteminder Limited

Opinion

We have audited the financial report, being a special purpose financial report, of Siteminder Limited and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2020, 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 the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 2 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, 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 and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes 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 scepticism 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Joshua Tanchel
Partner
Chartered Accountants
Sydney, 7 October 2020