

1. Company details

Name of entity:	SiteMinder Limited
ABN:	59 121 931 744
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	8.9% to	54,993
Loss from ordinary activities after tax	up	5.6% to	(87,035)
Loss for the half-year	up	5.6% to	(87,035)

Dividends

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

Comments

Revenue from ordinary activities grew 8.9% (10.4% on a constant currency basis) from the prior half-year. Building on the momentum from the prior two quarters, the Group is pleased to be reaccelerating post the COVID-19 slowdown. In line with the continued reopening of travel globally, total revenue has increased by \$4,481,000 from the prior half-year.

The loss for the Group after providing for income tax amounted to \$87,035,000 (31 December 2020: \$82,438,000). The loss for the fair value movement on embedded derivatives associated with our legacy capital structure accounted for \$61,759,000 (31 December 2020: \$73,416,000).

The Group is rebuilding its go-to market ('GTM') capacity, which was reduced as part of its response to the COVID-19 pandemic in early 2020. The growth of the customer base mirrors the increasing pursuit and adoption of hotel commerce technology around the world.

The financial position of the Group is strong with excellent liquidity with the capital raised from the Initial Public Offering ('IPO') to be used to support the Group's growth objective.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	35.29	2.22

The net tangible assets per ordinary security as presented above is exclusive of right-of-use assets, lease liabilities, provision for lease make good, convertible preference shares financial liability and derivative financial liability.

The 30 June 2021 number of shares has been adjusted to reflect the 1:40 share split during the capital restructure at IPO.

4. Dividends

Current period

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

Previous period

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

5. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim report for the half-year ended.

6. Attachments

Details of attachments (if any):

The Interim report for the half-year ended of SiteMinder Limited for the half-year ended 31 December 2021 is attached.

7. Signed



Patrick O'Sullivan
Chairman

16 February 2022
Sydney



Sankar Narayan
Chief Executive Officer and Managing Director

SiteMinder Limited and its controlled entities

ABN 59 121 931 744

Interim report for the half-year ended - 31 December 2021

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 half-year ended 31 December 2021.

Directors

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

Patrick O'Sullivan - Chairman (appointed on 15 October 2021)
Sankar Narayan - Chief Executive Officer
Michael Ford
Leslie Szekely
Paul Wilson
Jennifer Macdonald (appointed on 15 October 2021)
David Yuan (resigned on 21 October 2021)
John Burke (resigned on 21 October 2021)

Principal activities

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

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

Review of operations

Reconciliation to reported results and non-IFRS measures

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

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

Non-IFRS (International Financial Reporting Standards) measures have been included as SiteMinder believes they provide useful information for readers to assist in understanding SiteMinder Limited's (ASX:SDR) ("SiteMinder" or "the Group") financial performance. Non-IFRS financial measures should not be viewed in isolation or considered as substitutes for measures reported in accordance with the reported IFRS IAS 34 'Interim Financial Reporting'.

Growth strategy

SiteMinder's growth strategy is centred around the deployment of SiteMinder's hotel commerce platform building on the Group's global leadership. The Group will focus on continued organic growth with strong unit economics underpinned by multiple levers including property growth, subscription upsell and transaction products.

Financial performance

SiteMinder's total revenue increased 10.4% on a constant currency basis (cc) YoY, to \$55.0 million with some improvements in global travel from the COVID-19 travel shutdowns. Total revenue increased \$4.5 million YoY with the Americas growing 25% (cc) followed by EMEA at 16% (cc) and APAC declining at 5% (cc).

Subscription revenue increased 1.0% (cc) YoY to \$42.7 million, driven primarily by ARPU expansion. While closing properties at December 2021 were higher than December 2020, average properties for the half-year were lower from the prior year due to the property declines experienced in FY21. Subscription gross margin % was consistent with H2FY21 although subscription-related expenses have increased slightly due to additional service costs in preparation for the migration of customers to the next generation platform launching H2FY22. The prior period also benefited from \$0.5 million of wage subsidies relating to subscription cost of sales which did not reoccur in H1FY22.

Transaction revenue increased by 64% (cc) YoY to \$12.3 million driven by increased attachment of SiteMinder Pay and Demand Plus to subscription properties, with attachment rates increasing to 32% (9 pp¹ growth YoY), and some recovery of travel in H1FY22. Corporate travel continues to be heavily impacted due to COVID-19, depressing Global Distribution System ('GDS')² revenues which were down more than 40% on pre-COVID-19 levels. Total transaction gross margin increased \$1.5 million and was flat compared to H1FY21 in % terms.

Property count

The total number of properties subscribing to SiteMinder's software expanded by 8% on an annualised rate in quarter 2 of financial year 2022 ('Q2FY22'), improving from the 5% annualised growth achieved the prior quarter. Combining the 2 quarters, during H1FY22 total property count expanded by an annualised 6%. During H1FY22, the Americas expanded by annualised property growth of 15%, EMEA of 8%, and APAC stabilised and was flat. The regional growth rates reflect the relative impacts of COVID-19 on travel demand in those markets and the redeployment of our GTM capacity.

Regional performance

The Americas

Revenue increased 22% or 25% (cc) YoY to \$14.0 million, with the reopening of travel, the increased uptake of transaction products and the subscriber growth during H1FY22. Closing property count increased 10% YoY – the highest growth across all regions due to stronger domestic travel in the Americas and the earlier deployment of GTM capacity. The rate of net additions during H1FY22 was at an annualised 15%.

Europe, Middle East and Africa

Revenue increased 15% or 16% (cc) YoY to \$24.1 million with some reopening of travel in EMEA over the Northern Hemisphere summer. YoY property growth of 6% was also assisted by some reopening of travel in EMEA, while annualised growth during H1FY22 was 8%. There were some impacts in Q2FY22 due to the outbreak of Omicron and its impact on travel with lockdowns in Germany and the UK.

Asia Pacific

Revenue declined by 6% or 5% (cc) YoY as Asia Pacific was heavily impacted by COVID-19 restrictions and lockdowns for most of H1FY22. Asia, the Pacific Islands and New Zealand hotels are more dependent on international travel and borders were closed through the period resulting in elevated property closures, as domestic travel was not strong enough for them to remain open. Several regions of Australia were also in lockdown for a significant part of H1FY22. Annualised property growth stabilised during H1FY22 after several periods of declines, with optimism on international travel resumption with increased vaccination protection. While Omicron tempered the near-term outlook, market expectations are for a continued reopening during 2022.

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

EBITDA is earnings before interest (net finance income), tax, depreciation and amortisation. Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation, amortisation and before interest and taxation.

Underlying EBITDA has been calculated by removing

- cash settled equity plan rebasement on IPO of \$1.5 million;
- transaction cost related to IPO of \$5.2 million; and
- wage subsidies of \$2.9 million received in H1FY21 as part of government grants relating to Covid, have also been adjusted from the prior year for comparison.

1) Percentage points

2) GDS is a network system that connects hotels and accommodation providers and other travel industry service providers (e.g. airlines, hotels, car rental companies) with corporate travel agents.

	H1 FY22 \$'000	H1 FY21 \$'000
Reported (loss) / profit before depreciation, tax, other income & expenses	(16,905)	430
Other income	251	171
Other expenses	-	(2,821)
Reported EBITDA	(16,654)	(2,220)
Transaction cost related to IPO ²	5,201	-
Cash settled equity plan rebasement on IPO ³	1,495	-
Wage subsidies ⁴	-	(2,943)
Underlying EBITDA	(9,958)	(5,163)

Underlying EBITDA losses declined from \$5.2 million to \$10.0 million YoY and was predominantly due to increased operating expenses, with the reinvestment in the business as travel recovers to support growth in FY22 and beyond. The investment is focused on rebuilding SiteMinder's go-to-market ('GTM') capacity, which was reduced as part of the Group's response to the COVID-19 pandemic in early 2020 and research and development investment for new product launches.

Net Profit After Tax

Net Profit After Tax ('NPAT') declined 6% to (\$87.0) million; of this, the fair value movement on embedded derivatives on preference shares accounted for \$61.8 million. On IPO, these shares were converted to ordinary shares and therefore the exposure no longer exists. Underlying NPAT was (\$18.6) million and the reconciliation back to the reported result is in the table below.

Reconciliation of reported NPAT to underlying NPAT

	H1 FY22 \$'000	H1 FY21 \$'000
Reported NPAT	(87,035)	(82,438)
Fair value movement on embedded derivative ¹	61,759	73,416
Transaction cost related to IPO ²	5,201	-
Cash settled equity plan rebasement on IPO ³	1,495	-
Wage subsidies ⁴	-	(2,943)
Underlying NPAT	(18,580)	(11,965)

- (1) The fair value movements on embedded derivatives refers to the costs of revaluation of embedded derivatives on convertible preference shares while a private company. On IPO these shares were converted to ordinary shares and therefore the exposure no longer exists.
- (2) Remove transaction costs in relation to the IPO and capital raise. Total transaction costs related to the IPO and capital raise were \$8,917,000 of which \$3,716,000 is directly attributable to the issue of new shares by SiteMinder, and has been recognised directly in equity. The remaining balance of \$5,201,000 is treated as an operating expense and has been adjusted for underlying NPAT.
- (3) Remove share-based payment expenses of \$1,495,000 in respect to cash settled shadow equity plan rebasement to the IPO share price.
- (4) Wage subsidies of \$2,943,000 were received in H1FY21 as part of government grants relating to Covid.

Key SaaS metrics

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

Annualised Recurring Revenue ('ARR') is the prior month's recurring subscription revenue multiplied by 12 and the prior quarter's transaction revenue from subscriber customers (assuming any promotions have ended) multiplied by four. ARR provides a 12-month calculation of revenue at a point in time, assuming other factors such as subscriber numbers, transaction volumes, pricing and foreign exchange remain unchanged. The Group uses ARR to project current performance into the future.

Lifetime Value or LTV is a calculation designed to estimate the average gross profit that the Group might expect to receive from subscription and transaction revenues over the lifetime of a property subscription. It is calculated by taking the monthly average ARPU over the last 12 months, multiplied by the gross margin percentage, divided by Monthly Revenue Churn. This is then annualised by multiplying by 12. LTV is based on annualised calculation of historical metrics as at a point in time and is not a forecast of revenue that any particular customer will generate.

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

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

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

Annualised Recurring Revenue ('ARR') at the end of H1FY22 was \$111 million, growing 13.5% (cc) from H1FY21 and ahead of revenue growth reflecting the acceleration of SiteMinder's business. ARR value changes from 30 June 2021 reflect growth in the Group and seasonality.

SaaS economics improved with the ratio of Life Time Value/Cost of Acquiring Customers ('CAC') increasing from 2.1x to 3.2x with recovering churn and ARPU. The Cost of Acquiring Customers ('CAC') is rising temporarily from the ramping of Go To Market investments as there is typically a lag between hiring, training and the successful contribution of fully ramped sales teams. Total ARPU expanded to \$280, up 7.7% YoY (cc) with subscription ARPU growth, improving travel and increased transaction attachment rates of 32% (9 pp growth YoY).

Initial Public Offering ('IPO') and capital raise

SiteMinder successfully completed a listing on the ASX in November 2021 and received \$90.0 million of IPO proceeds from the primary offer with IPO and \$20.0 million from the capital raise in September 2021. Total transaction costs related to the IPO and the capital raise were \$8.9 million of which \$3.7 million is directly attributable to the issue of new shares by SiteMinder, and has been recognised directly in equity. The remaining balance of \$5.2 million has been treated as an operating expense.

Of the total transaction costs of \$8.9 million, \$7.6 million has been paid with a further \$1.3 million in IPO costs to be paid in H2FY22. As at 31 December 2021, \$9.5 million of the employee incentives plan was paid with a further \$0.3 million to be paid in H2FY22.

Cash flow statement

The Group has available cash of \$53 million and term deposits of \$60 million totalling \$113 million, excluding debt facilities.

Transaction costs relating to IPO and capital raise in the operating cash flow of \$4.1 million and payment for employee incentives on IPO of \$9.5m were included in the reported operating cash outflows of \$19.7 million. For the purpose of determining the underlying free cash outflow and the cash usage in the business, these have been excluded. The underlying operating cash outflow of \$6.1 million reflected the Group's investment in rebuilding GTM capacity to support future growth.

Investment cash outflows in H1FY22 were \$70.6 million. \$60.0 million refers to term deposits held on the Balance Sheet and have been excluded to determine the underlying cash usage in the Group. R&D investments were \$10.5m to support the H2FY22 launches of SiteMinder's mobile applications and next generation platform.

Financing cash flows of \$112.3 million in H1FY22 reflected the \$110.0 million in proceeds from issue of shares from IPO and capital raise, payments for transaction costs that is directly attributable to the issue of new shares was \$3.4 million.

SiteMinder's underlying free cash outflow³ for H1FY22 was (\$16.6 million) as presented below, representing 30% of revenues.

	H1 FY22 \$'000	H1 FY21 \$'000
Operating cash flows	(19,701)	2,440
Investment cash flows	(70,574)	(7,904)
Reported Operating and Investment cash flows	(90,275)	(5,464)
Transaction costs relating to IPO and capital raise ¹	4,108	-
Payment for employee incentives on IPO ²	9,530	-
Placement for term deposits ³	60,000	-
Wage subsidies ⁴	-	(3,386)
Underlying free cash flow	(16,637)	(8,850)

- (1) Remove transaction costs paid relating to the IPO and capital raise. Total transaction fees paid related to the offer were \$7,556,000 of which \$3,448,000 is directly attributable to the issue of new shares by SiteMinder, and has been recognised in financing cash flow. The remaining \$4,108,000 is recognised in operating cash flow.
- (2) Remove payment for employee incentive on IPO of \$9,530,000.
- (3) Refers to term deposits held of \$60.0 million and has been adjusted from underlying free cash flow.
- (4) Wage subsidies of \$3,386,000 were received in H1FY21 as part of government grants relating to Covid.

Product investment strategy

The Group invested \$19.8 million in Research & Development for technology and capitalised 47% in H1FY22. Amongst the product investments, SiteMinder is mobilising the world's small hoteliers through the relaunch of its Little Hotelier mobile application in February 2022 and its next generation platform is also on track to launch during H2FY22.

Statement of financial position

SiteMinder's cash and term deposit balance as at the end of December 2021 was \$113 million and the financial position of the Group remains strong with excellent liquidity. The capital raised from the IPO would be used to support the Group's growth objective.

Covid-19 assessment

As outlined in the Prospectus⁴, since the start of the COVID-19 pandemic, the global travel sector has undergone significant disruptions given the extended periods of lockdowns, movement restrictions and border closures globally.

Although SiteMinder's performance has not been impacted to the same degree as the majority of the global travel industry, there continues to be uncertainty and volatility within the travel sector. The sector's recovery is contingent on the overall success of each country's virus containment strategy and vaccination programs, which have had varied degrees of effectiveness and progress globally, as well as the effectiveness of vaccines themselves and the risk of new COVID-19 variants.

Despite the heightened uncertainty around travel, SiteMinder is starting to see pockets of recovery in 2021/22 throughout the customer base, particularly in the Americas and in parts of Europe where booking levels on SiteMinder's platform appear to have rebounded to near pre-COVID-19 levels. While the Group is hopeful that this momentum will continue going forward, the threat of the Delta and Omicron variants – and newer virulent variants as well as the continuance or imposition of additional restrictions and other measures to combat the spread of the virus – could adversely impact this outlook, and it is difficult for us to provide any assurances in this regard. For example, local outbreaks of the Delta and Omicron variants have resulted in lockdowns throughout Australia, New Zealand and parts of Asia in H1FY22, which dampened domestic travel sector recovery in the short term.

Looking ahead

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

3) Underlying free cash flow is the sum of underlying operating and underlying investment cash flows.

4) IPO prospectus dated 21 October 2021.

Significant changes in the state of affairs

Capital injection

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

Secondary sale of shares

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

Initial Public Offering ('IPO')

On 8 November 2021, the Company completed an IPO of 123,913,043 ordinary shares at \$5.06 per share and was admitted to the Official List of ASX Limited with the ASX code SDR. \$90,000,000 proceeds were raised from primary offers. \$7,556,000 transaction costs related to IPO and capital raise and \$9,530,000 employee incentives have been paid as at 31 December 2021.

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

Matters subsequent to the end of the financial half-year

COVID-19

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

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

By the end of the financial half-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 31 December 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.

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 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Patrick O'Sullivan
Chairman



Sankar Narayan
Chief Executive Officer and Managing Director

16 February 2022
Sydney

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

16 February 2022

Dear Board Members,

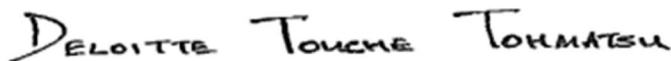
Auditor's Independence Declaration to SiteMinder Limited and its controlled entities

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

As lead audit partner for the review of the financial report of SiteMinder Limited and its controlled entities for the half-year ended 31 December 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 our review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Sandeep Chadha
Partner
Chartered Accountants

Consolidated statement of profit or loss and other comprehensive income	9
Consolidated statement of financial position	10
Consolidated statement of changes in equity	12
Consolidated statement of cash flows	13
Notes to the consolidated financial statements	14
Directors' declaration	32
Independent auditor's review report to the members of SiteMinder Limited	33

SiteMinder Limited and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021



		Consolidated	
		6 months	6 months
		ended 31	ended 31
	Note	Dec 2021	Dec 2020
		\$'000	\$'000
Revenue	4	54,993	50,512
Cost of sales		<u>(16,441)</u>	<u>(12,036)</u>
Gross profit		<u>38,552</u>	<u>38,476</u>
Expenses			
Sales and marketing expenditure		(21,508)	(16,302)
Research and development expenditure		(10,446)	(7,084)
General and administration expenditure		(11,443)	(10,406)
Share-based payments expenses	5	(6,859)	(4,254)
Transaction costs related to IPO and capital raise		(5,201)	-
Total operating expenses	5	<u>(55,457)</u>	<u>(38,046)</u>
(Loss)/profit before tax, depreciation, amortisation, other income and other expenses		(16,905)	430
Interest revenue calculated using the effective interest method		54	91
Finance costs	5	(461)	(494)
Fair value movement on derivatives	5	(61,759)	(73,416)
Depreciation and amortisation expense	5	(8,177)	(6,304)
Other income		251	171
Other expenses	5	<u>-</u>	<u>(2,821)</u>
Loss before income tax expense	5	(86,997)	(82,343)
Income tax expense		<u>(38)</u>	<u>(95)</u>
Loss after income tax expense for the half-year		(87,035)	(82,438)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax		899	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(387)</u>	<u>1,415</u>
Other comprehensive income for the half-year, net of tax		<u>512</u>	<u>1,415</u>
Total comprehensive loss for the half-year		<u>(86,523)</u>	<u>(81,023)</u>
		\$	\$
Basic earnings per share	20	(0.58)	(0.62)
Diluted earnings per share	20	(0.58)	(0.62)

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

		Consolidated	
	Note	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	6	52,999	30,970
Trade and other receivables	7	3,780	3,037
Contract assets		1,366	1,308
Prepayments and deposits		4,278	1,501
Other financial assets	8	60,000	-
Total current assets		<u>122,423</u>	<u>36,816</u>
Non-current assets			
Financial assets at fair value through other comprehensive income		3,333	2,434
Other financial assets		437	1,159
Property, plant and equipment		1,399	1,484
Right-of-use assets	9	10,993	12,257
Intangibles	10	34,035	30,031
Deferred tax asset		3	3
Total non-current assets		<u>50,200</u>	<u>47,368</u>
Total assets		<u>172,623</u>	<u>84,184</u>
Liabilities			
Current liabilities			
Trade and other payables	11	21,517	16,880
Contract liabilities		3,983	4,020
Borrowings	12	-	65,941
Lease liabilities		2,194	1,653
Derivative financial instruments	13	-	339,944
Provision for income tax		46	25
Employee benefits	14	5,500	6,678
Total current liabilities		<u>33,240</u>	<u>435,141</u>
Non-current liabilities			
Lease liabilities		11,276	12,629
Deferred tax liability		45	45
Employee benefits	15	618	11,319
Lease make good provision		151	146
Total non-current liabilities		<u>12,090</u>	<u>24,139</u>
Total liabilities		<u>45,330</u>	<u>459,280</u>
Net assets/(liabilities)		<u>127,293</u>	<u>(375,096)</u>

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

		Consolidated	
	Note	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Equity			
Issued capital		233,007	53,544
Total issued capital	16	<u>233,007</u>	<u>53,544</u>
Reserves	17	434,123	24,162
Total reserves		<u>434,123</u>	<u>24,162</u>
Accumulated losses			
Accumulated losses - Preference shares*		(422,256)	(360,497)
Accumulated losses - Operating results		(117,581)	(92,305)
Total accumulated losses		<u>(539,837)</u>	<u>(452,802)</u>
Total equity/(deficiency)		<u><u>127,293</u></u>	<u><u>(375,096)</u></u>

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

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total deficiency in equity \$'000
Balance at 1 July 2020	53,515	18,978	(331,032)	(258,539)
Loss after income tax expense for the half-year	-	-	(82,438)	(82,438)
Other comprehensive income for the half-year, net of tax	-	1,415	-	1,415
Total comprehensive income/(loss) for the half-year	-	1,415	(82,438)	(81,023)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	1,753	-	1,753
Balance at 31 December 2020	53,515	22,146	(413,470)	(337,809)

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2021	53,544	24,162	(452,802)	(375,096)
Loss after income tax expense for the half-year	-	-	(87,035)	(87,035)
Other comprehensive income for the half-year, net of tax	-	512	-	512
Total comprehensive income/(loss) for the half-year	-	512	(87,035)	(86,523)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 16)	106,407	-	-	106,407
Conversion of preference shares (note 17)	65,941	401,703	-	467,644
Settlement of loans	7,115	-	-	7,115
Share-based payments	-	7,746	-	7,746
Balance at 31 December 2021	233,007	434,123	(539,837)	127,293

Note	Consolidated	
	6 months ended 31 Dec 2021 \$'000	6 months ended 31 Dec 2020 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	56,279	51,933
Payments to suppliers and employees (inclusive of GST)	(61,903)	(48,994)
	(5,624)	2,939
Transaction costs in relation to IPO and capital raise	(4,108)	-
Payment for employee incentives on IPO	(9,530)	-
Interest and other finance costs paid	(430)	(494)
Income taxes paid	(9)	(5)
Net cash (used in)/provided by operating activities	(19,701)	2,440
Cash flows from investing activities		
Interest received	29	89
Payments for property, plant and equipment	(318)	(230)
Payments for intangibles	(10,491)	(7,763)
Repayment from security deposits	206	-
Placement of term deposits	(60,000)	-
Net cash used in investing activities	(70,574)	(7,904)
Cash flows from financing activities		
Proceeds from issue of shares	110,000	-
Net proceeds from management share loan and options	6,623	-
Payments for transaction costs related to IPO and capital raise	(3,448)	-
Payments for transaction costs related to borrowing and loan	(21)	-
Repayment of lease liabilities	(806)	(1,233)
Net cash provided by/(used in) financing activities	112,348	(1,233)
Net increase/(decrease) in cash and cash equivalents	22,073	(6,697)
Cash and cash equivalents at the beginning of the financial half-year	30,970	46,005
Effects of exchange rate changes on cash and cash equivalents	(44)	1,156
Cash and cash equivalents at the end of the financial half-year	<u>52,999</u>	<u>40,464</u>

The costs of issuing equity are deducted from equity and included in cashflow from financing activities. Otherwise they are classified as operating expense and included in operating cashflows. The total amount of cash paid for issued costs during the half-year was \$7,556,000 of which \$4,108,000 was recognised as part of transaction costs related to IPO and included in operating activities and \$3,448,000 was recognised as payments for transaction costs related to IPO and capital raise as financing activities. In addition, there was a \$9,530,000 payment for employee incentive associated with the IPO.

Note 1. General information

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

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

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

On 8 November 2021, the Company completed an IPO and was admitted to the Official List of ASX Limited with the ASX code SDR. The Company changed its status from a proprietary company to a public company.

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 February 2022.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021, SiteMinder's Prospectus and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

Comparatives

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

Note 2. Significant accounting policies (continued)

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 are 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 for 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.

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.

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.

Preference shares

Preference shares are classified as a host debt financial liability at amortised cost 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.

On IPO, the preference shares converted to ordinary shares and the equity issued was measured by reference to the carrying value of the debt host contract plus the fair value of the embedded derivative such that no gain or loss was recognised. On conversion, \$66,475,000 share capital was recognised in the ordinary shares and \$534,000 share issue costs were deducted from ordinary share capital. The excess of \$401,703,000 representing the movement in the fair value of the embedded derivative was credited to the Embedded Derivative Conversion Reserve.

Note 3. Operating segments

Identification of reportable operating segments

The Group operates within one operating 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.

Note 3. Operating segments (continued)

The amounts for revenue by region is disclosed in note 4. 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.

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

Note 4. Revenue

	Consolidated 6 months ended 31 Dec 2021 \$'000	Consolidated 6 months ended 31 Dec 2020 \$'000
Revenue from contracts with customers	54,993	50,512

Disaggregation of revenue

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

	Consolidated 6 months ended 31 Dec 2021 \$'000	Consolidated 6 months ended 31 Dec 2020 \$'000
<i>Geographical regions</i>		
Asia Pacific ('APAC')	16,966	18,094
Europe, Middle East and Africa ('EMEA')	24,060	20,956
Americas ('AMER')	13,967	11,462
	54,993	50,512
<i>Revenue streams</i>		
Recurring subscription revenue	42,699	42,968
Recurring transaction revenue	12,294	7,544
	54,993	50,512

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

Recurring subscription revenue

Recurring subscription revenue comprises the monthly subscription fees from subscribers to SiteMinder's online software products and associated set up fee, recognised over time.

Recurring transaction revenue

Recurring transaction revenue comprises the monthly usage fees from customers to SiteMinder's commerce, recognised at a point in time.

During the half-years ended 31 December 2021 and 31 December 2020, there were no major customers that represent greater than 10% of the Group's revenue.

Note 5. Loss before income tax expense

	Consolidated 6 months ended 31 Dec 2021 \$'000	6 months ended 31 Dec 2020 \$'000
Loss before income tax includes the following specific expenses:		
<i>Depreciation and amortisation</i>		
Depreciation of property, plant and equipment	425	444
Depreciation of right-of-use assets	1,265	1,263
Amortisation of intangible assets	6,487	4,597
Total depreciation and amortisation	8,177	6,304
<i>Fair value movement on embedded derivative</i>		
Fair value loss on embedded derivative	61,759	73,416
<i>Other expenses</i>		
Net foreign exchange loss	-	2,362
Other expenses	-	459
	-	2,821
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	430	490
Interest on banking facilities	27	-
Unwinding of the discount on lease make good provision	4	4
Finance costs expensed	461	494
<i>Leases</i>		
Short-term lease payments	267	294
Low-value assets lease payments	6	4
	273	298
<i>Superannuation expense</i>		
Defined contribution superannuation expense	2,565	2,104
<i>Employee benefits expense</i>		
Employee benefits*	48,347	40,610
Expenses associated with share-based payment plans	1,140	1,977
Expenses associated with shadow equity program	5,719	2,277
Total employee benefits expense	55,206	44,864

* Costs incurred in relation to employee benefits amounting to \$9,934,000 (2020: \$7,248,000) are directly attributable to development activities and therefore capitalised in intangible assets.

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Cash at bank	<u>52,999</u>	<u>30,970</u>

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

Note 7. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Trade receivables	3,771	3,704
Less: Allowance for expected credit losses	(775)	(729)
	<u>2,996</u>	<u>2,975</u>
Other receivables	256	62
GST, VAT and sales tax receivables	528	-
	<u>3,780</u>	<u>3,037</u>

Note 8. Current assets - other financial assets

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Term deposits held to maturity	<u>60,000</u>	<u>-</u>

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

Note 9. Non-current assets - right-of-use assets

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Land and buildings - right-of-use	15,421	15,420
Less: Accumulated depreciation	(4,428)	(3,163)
	<u>10,993</u>	<u>12,257</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 9. Non-current assets - right-of-use assets (continued)

Reconciliations

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

	Land and buildings \$'000
Consolidated	
Balance at 1 July 2021	12,257
Remeasurement of leases	2
Exchange differences	(1)
Depreciation expense	(1,265)
Balance at 31 December 2021	<u>10,993</u>

Note 10. Non-current assets - intangibles

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Software - at cost	932	932
Less: Accumulated amortisation	(890)	(873)
Less: Impairment	(3)	(3)
	39	56
Capitalised development costs - at cost	63,994	53,502
Less: Accumulated amortisation	(29,371)	(22,900)
Less: Impairment	(627)	(627)
	33,996	29,975
	<u>34,035</u>	<u>30,031</u>

Reconciliations

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

	Software	Capitalised development costs	Total
	\$'000	\$'000	\$'000
Consolidated			
Balance at 1 July 2021	56	29,975	30,031
Additions	-	10,492	10,492
Exchange differences	(1)	-	(1)
Amortisation expense	(16)	(6,471)	(6,487)
Balance at 31 December 2021	<u>39</u>	<u>33,996</u>	<u>34,035</u>

Note 11. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Trade payables	3,505	4,627
GST, VAT and sales tax liabilities	-	348
Employment taxes payable	3,011	1,773
Other provisions	4,782	4,852
Accrued expenses	7,818	2,697
Other payables	2,401	2,583
	<u>21,517</u>	<u>16,880</u>

Note 12. Current liabilities - borrowings

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Convertible preference shares financial liability	-	65,941

Convertible preference shares financial liability

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

On IPO, all preference shares were converted into ordinary shares on a one for one basis. The conversion to shares was recognised in issued capital net of transaction costs. Refer to note 16 for further information.

Note 13. Current liabilities - derivative financial instruments

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Derivative financial liability - at fair value through profit or loss	-	339,944

The derivative financial liability represents the changes in fair value of the convertible preference shares. On IPO, the derivative financial liability was derecognised on the conversion of preference shares. Refer to note 17 for further information on the conversion of preference shares.

Refer to note 19 for further information on fair value measurement.

Note 14. Current liabilities - employee benefits

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Annual leave	3,471	3,910
Long service leave	632	630
Other employee benefits	1,397	2,138
	<u>5,500</u>	<u>6,678</u>

Note 15. Non-current liabilities - employee benefits

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$'000	\$'000
Long service leave	389	355
Shadow equity liability	229	10,957
Other	-	7
	<u>618</u>	<u>11,319</u>

On IPO, majority of the shadow equity liability was settled. Refer to note 21 for further information on the Shadow equity liability.

Note 16. Equity - issued capital

	Consolidated			
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	271,762,759	2,522,692	258,048	1,721
A class shares - fully paid	-	776,012	-	51,698
Management loan funded shares - fully paid	-	518,354	-	32,281
Management share loans	(13,087,105)	(515,495)	(25,041)	(32,156)
	<u>258,675,654</u>	<u>3,301,563</u>	<u>233,007</u>	<u>53,544</u>

Note 16. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	\$'000
Balance	1 July 2021	2,522,692	1,721
Issue of shares	16 September 2021	5,106	201
Pre-share split		2,527,798	1,922
Share split	8 November 2021	98,584,122	-
Post share split		101,111,920	1,922
New shares issued to new shareholders under the primary offering	8 November 2021	17,786,561	90,000
Conversion from A class shares	8 November 2021	35,808,640	71,540
Conversion from Management loan funded shares	8 November 2021	20,409,920	31,887
New shares issued to prior preference share shareholders	8 November 2021	94,242,760	66,475
Issue of shares	9 November 2021	322,320	316
New shares issued on options exercised	9 November 2021	9,873	-
New shares issued on options exercised	15 November 2021	382,752	-
New shares issued on options exercised	18 November 2021	168,054	-
New shares issued on options exercised	15 December 2021	19,959	-
Issue of shares	15 December 2021	1,500,000	-
Share issue costs		-	(4,092)
Balance of issued ordinary share capital		271,762,759	258,048
Less: treasury shares held	15 December 2021	(1,236,351)	-
Balance of ordinary share capital	31 December 2021	<u>270,526,408</u>	<u>258,048</u>

Reconciliation

Reconciliation of the treasury shares held by the Group at the beginning and end of the current financial half-year are set out below:

Details	Shares	\$'000
Opening balance	-	-
(Less): treasury shares issued	(1,500,000)	-
Add: treasury shares released (performance rights exercised)	263,649	-
Closing balance	<u>(1,236,351)</u>	<u>-</u>

During the capital reorganisation, A class shares, management loan funded shares and preference shares were converted to ordinary shares, followed by a share split on 1 to 40 basis.

Share issue costs include \$3,558,000 for IPO and \$534,000 for preference shares.

Note 16. Equity - issued capital (continued)

Movement in A class shares

Details	Date	Shares	\$'000
Balance	1 July 2021	776,012	51,698
Issue of shares	16 September 2021	119,204	20,000
Share issue costs		-	(158)
Pre share split		895,216	71,540
Share split	8 November 2021	34,913,424	-
Post share split		35,808,640	71,540
Conversion to ordinary shares	8 November 2021	(35,808,640)	(71,540)
Balance	31 December 2021	-	-

The shareholders deed has been terminated after the IPO. The termination of the shareholders deed resulted in the A class shares having the same right as, and therefore upon such termination being, ordinary shares.

Movements in Management loan funded shares

Details	Date	Shares	\$'000
Balance	1 July 2021	518,354	32,281
Conversion to ordinary shares	16 September 2021	(5,106)	(201)
Cancellation of shares	29 September 2021	(3,000)	(193)
Pre share split		510,248	31,887
Share split	8 November 2011	19,899,672	-
Post share split		20,409,920	31,887
Conversion to ordinary shares	8 November 2011	(20,409,920)	(31,887)
Balance	31 December 2021	-	-

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

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

Movements in Management share loans

Details	Date	Shares	\$'000
Balance*	1 July 2021	(515,495)	(32,156)
Loan repayments	16 September 2021	5,106	201
Cancellation of shares	29 September 2021	3,000	193
Pre share split		(507,389)	(31,762)
Share split	8 November 2021	(19,788,171)	-
Post share split		(20,295,560)	(31,762)
Loan repayments**		7,208,455	6,721
Balance	31 December 2021	(13,087,105)	(25,041)

Note 16. Equity - issued capital (continued)

- * Of the 518,354 opening management loan funded shares, 2,859 shares do not have loans outstanding leaving an opening balance of 515,495 management share loans.
- ** Management share loans were repaid in November 2021 and December 2021.

The management loan consists of:

	\$'000
Unpaid loans for vested employee shares	2,893
Unpaid loans for unvested employee shares (in escrow)	22,148
	<u>25,041</u>

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

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

Of the ordinary shares subject to management share loans, 4,277,080 of these shares are unvested and have not been paid and therefore is sitting in escrow.

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.

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

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.

Note 17. Equity - reserves

	Consolidated	
	31 Dec 2021 \$'000	30 Jun 2021 \$'000
Foreign currency translation reserve	(1,792)	(1,405)
Share-based payments reserve	16,809	9,063
Share buy-back reserve	(6,399)	(6,399)
Financial assets at fair value reserve	3,249	2,350
Embedded derivative conversion reserve	422,256	20,553
	<u>434,123</u>	<u>24,162</u>

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. On IPO, all preference shares were converted to ordinary shares.

Movements in reserves

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

Consolidated	Foreign currency translation reserve \$'000	Share-based payment reserve \$'000	Share-buy back reserve \$'000	Financial assets at fair value reserve \$'000	Embedded derivative conversion reserve \$'000	Total \$'000
Balance at 1 July 2021	(1,405)	9,063	(6,399)	2,350	20,553	24,162
Foreign currency translation	(387)	-	-	-	-	(387)
Share-based payments	-	7,746	-	-	-	7,746
Gain on the revaluation of financial assets	-	-	-	899	-	899
Conversion of preference shares	-	-	-	-	401,703	401,703
Balance at 31 December 2021	<u>(1,792)</u>	<u>16,809</u>	<u>(6,399)</u>	<u>3,249</u>	<u>422,256</u>	<u>434,123</u>

Note 18. Equity - dividends

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

Note 19. 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 - 31 Dec 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Investment at fair value through other comprehensive income	-	-	3,333	3,333
Total assets	-	-	3,333	3,333

Consolidated - 30 Jun 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

There were no transfers between levels during the financial half-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 Black Scholes model to calculate its value. Key inputs include a volatility assumption and time to a liquidity event.

Level 3 assets and liabilities

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

Consolidated	Investment \$'000	Derivative liability \$'000	Total \$'000
Balance at 1 July 2021	2,434	(339,944)	(337,510)
Gains/(losses) recognised in profit or loss	899	(61,759)	(60,860)
Conversion of preference shares (note 17)	-	401,703	401,703
Balance at 31 December 2021	3,333	-	3,333

Note 20. Earnings per share

	Consolidated 6 months ended 31 Dec 2021 \$'000	Consolidated 6 months ended 31 Dec 2020 \$'000
Loss after income tax	(87,035)	(82,438)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	150,777,618	132,062,520
Weighted average number of ordinary shares used in calculating diluted earnings per share	150,777,618	132,062,520
	Consolidated 6 months ended 31 Dec 2021 \$	Consolidated 6 months ended 31 Dec 2020 \$
Basic earnings per share	(0.58)	(0.62)
Diluted earnings per share	(0.58)	(0.62)

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

31 December 2020 weighted average number of ordinary shares have been adjusted to reflect 1:40 share split in November 2021 for comparison purpose.

Note 21. 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.

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

The share-based payment expense is disclosed in note 5.

SiteMinder Option Plan

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

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

Note 21. Share-based payments (continued)

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

31 Dec 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	\$0.98	322,320	-	(322,320)	-	-
01/09/2018	\$1.61	120,000	-	(60,000)	-	60,000
18/12/2018	\$1.61	140,000	-	(140,000)	-	-
25/01/2019	\$1.61	100,000	-	(100,000)	-	-
03/06/2019	\$1.61	1,000,000	-	-	-	1,000,000
28/06/2019	\$0.34	174,840	-	(174,840)	-	-
31/08/2019	\$1.61	568,720	-	(284,360)	-	284,360
31/01/2020	\$3.45	-	-	-	-	-
01/07/2020	\$3.45	1,880,000	-	(110,000)	-	1,770,000
02/08/2021	\$4.19	-	720,000	-	-	720,000
08/11/2021	\$5.57	-	1,735,837	-	-	1,735,837
08/11/2021	\$6.69	-	409,625	-	-	409,625
08/11/2021	\$7.70	-	487,126	-	-	487,126
		4,305,880	3,352,588	(1,191,520)	-	6,466,948
Weighted average exercise price		\$2.31	\$5.72	\$1.42	\$0.00	\$4.24

The options chosen to be exercised (excluding the options granted on 11/10/2016) have been satisfied on a net settlement basis. This has resulted into a conversion to 580,638 ordinary shares.

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

Grant date	31 Dec 2021 Number	30 Jun 2021 Number
11/10/2016	-	322,320
01/09/2018	60,000	60,000
18/12/2018	-	70,000
25/01/2019	-	50,000
03/06/2019	500,000	500,000
28/06/2019	-	87,440
31/08/2019	-	142,200
01/07/2020	360,000	470,000
	<u>920,000</u>	<u>1,701,960</u>

Equity Performance Rights

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

31 Dec 2021

Grant date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
08/11/2021	\$0.00	-	3,165,375	(277,770)	-	2,887,605

Note 21. Share-based payments (continued)

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.

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

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

31 Dec 2021

	Exercise price	Balance at the start of the year	Granted	Converted	Expired/ forfeited/ other	Balance at the end of the year
23/04/2013	\$0.20	2,038,800	-	(2,038,800)	-	-
11/04/2014	\$0.61	373,960	-	(373,960)	-	-
18/11/2014	\$0.73	1,176,040	-	(1,176,040)	-	-
08/05/2017	\$0.98	2,518,800	-	(2,518,800)	-	-
16/10/2017	\$0.98	855,000	-	(855,000)	-	-
13/02/2018	\$1.61	688,240	-	(688,240)	-	-
25/02/2018	\$1.61	917,640	-	(917,640)	-	-
09/08/2018	\$0.98	1,123,040	-	(1,123,040)	-	-
01/11/2018	\$1.61	1,032,360	-	(1,032,360)	-	-
06/12/2018	\$1.61	1,147,080	-	(1,147,080)	-	-
07/01/2019	\$1.61	4,730,200	-	(4,730,200)	-	-
07/01/2019	\$4.23	2,365,120	-	(2,365,120)	-	-
25/01/2019	\$1.61	1,253,520	-	(1,133,520)	(120,000)	-
15/02/2019	\$1.61	400,000	-	(400,000)	-	-
19/06/2019	\$0.98	114,360	-	(114,360)	-	-
		<u>20,734,160</u>	<u>-</u>	<u>(20,614,160)</u>	<u>(120,000)</u>	<u>-</u>
Weighted average exercise price		\$1.56	\$0.00	\$1.56	\$1.61	\$0.00

For the options granted during the current half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date
08/11/2021	08/11/2025	\$5.06	\$5.57	47.50%	0.48%	\$1.61
08/11/2021	08/11/2025	\$5.06	\$6.69	47.50%	0.48%	\$1.32
08/11/2021	08/11/2025	\$5.06	\$7.70	47.50%	0.48%	\$1.11

Note 22. Events after the reporting period

COVID-19

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

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

By the end of the financial half-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 31 December 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, Australian Accounting Standard AASB 134 'Interim Financial Reporting', 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 31 December 2021 and of its performance for the financial half-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 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Patrick O'Sullivan
Chairman

16 February 2022
Sydney



Sankar Narayan
Chief Executive Officer and Managing Director

Independent Auditor's Review Report to the Members of SiteMinder Limited

Conclusion

We have reviewed the half-year financial report of SiteMinder Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2021, and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 9 to 32.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and 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 annual 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 review report.

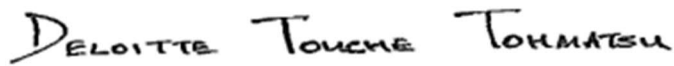
Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



DELOITTE TOUCHE TOHMATSU



Sandeep, Chadha
Partner
Chartered Accountants
Sydney, 16 February 2022