

APPENDIX 4D

– INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

Results for Announcement to the Market

Key Information	Period from 4 August 2014 to 31 December 2014 \$
Revenue from ordinary activities	6,966
Profit after tax from ordinary activities attributable to members	4,160
Net profit attributable to members	4,160

Dividends Paid and Proposed

No dividend was declared or paid during the period.

Explanation of Key Information

An explanation of the above figures is contained in the “Review of Operations” included within the attached directors’ report.

Net Tangible Assets per Share

	As at 31 December 2014 \$/Share
Net tangible assets per share (pre tax)	1.085
Net tangible assets per share (post tax)	1.013

Control Gained or Lost over Entities in the Period

The company entered into agreements with the relevant parties to acquire

- 100% of Bailador Trust (BT or BT1 Fund)
- 74% of Bailador SiteMinder Co-investment Trust (BCST or BT1 Top Up Fund)
- 100% of the Viocorp convertible notes (Viocorp Notes)
- 100% of Bailador Trustee (Bailador Pty Limited)

collectively, “The Foundation Portfolio” for a consideration of \$37.5M, satisfied by issue of 37,462,891 fully paid ordinary shares in the company with an aggregate value of \$1 per share.

Dividend Reinvestment Plans

The Company does not have any dividend reinvestment plans in operation.

Investment in Associates and Joint Ventures

The Company does not have any investments in associates and joint ventures.



INTERIM FINANCIAL STATEMENTS

BAILADOR TECHNOLOGY INVESTMENTS LIMITED

Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the Company for the period from 4 August 2014 (date of incorporation) to 31 December 2014.

Directors

The names of directors who held office during or since the end of the Period:

David Kirk (Chairman) (Appointed at incorporation)	Paul Wilson (Appointed at incorporation)
Andrew Bullock (Appointed at incorporation)	Sankar Narayan (Appointed at 9 September 2014)
Heith Mackay-Cruise (Appointed at 16 September 2014)	

Review of Operations

Increased Investment in Viocorp

BTI made one new investment during December 2014. This was a \$3m investment in a convertible loan to Viocorp International Pty Ltd ('Viocorp') reflecting the same valuation for Viocorp as shown in the October 2014 prospectus. BTI now owns 56.1% of Viocorp on a fully converted fully diluted basis. The valuation is consistent with the revenue multiple range of 2.0x-5.0x revenue outlined in the BTI prospectus in October 2014. At the same date, \$1m was also drawn down by Viocorp on a working capital facility from Partners For Growth. The total funding of \$4m will be used to accelerate execution of opportunities for revenue growth for Viocorp, particularly in the areas of sales to large corporates, and sales through partnership both in Australia and internationally.

Revaluation of SiteMinder

BTI revalued one portfolio investment as at 31 December 2014. SiteMinder had been held at the valuation implied by a material 3rd party investment in December 2013. Consistent with the valuation methodology explained in the BTI prospectus in October 2013, and consistent with AVCAL valuation guidelines, that valuation has been reviewed now that 12 months have passed since the last material 3rd party investment. Due to the significant sales growth of SiteMinder, as well as the significant strategic progress achieved by the company in the last 12 months, the holding value of BTI's investment in SiteMinder has been increased 33% from \$18.8m to \$25.0m. The valuation remains consistent with the cross-check methodology of 4.0x – 8.0x revenue outlined in the BTI prospectus in October 2014.

Rounding of Amounts

The Company has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 2 for the period ended 31 December 2014.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director 

Paul Wilson

Dated this 20th day of February 2015

BAILADOR TECHNOLOGY INVESTMENTS LIMITED
ABN 38 601 048 275

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BAILADOR TECHNOLOGY INVESTMENTS LIMITED

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2014 there have been no contraventions of:

GPO Box 3555
Sydney NSW 2001

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

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Level 40, 2 Park Street
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DREW TOWNSEND
Partner
Dated: 20 February 2015

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD
ENDED 31 DECEMBER 2014**

	Note	Period from 4 August 2014 to 31 December 2014
		\$000
Revenue	2	6,868
Interest income		99
ASX fees		(8)
Audit fees		(19)
Custody fees		(8)
Directors' fees		(62)
Initial public offer costs		(784)
Manager's fees		(148)
Other expenses		(11)
Profit before income tax		5,926
Income tax expense		(1,767)
Profit for the period		4,160
Other comprehensive income		-
Total comprehensive income for the period		4,160
Earnings per share		
- basic earnings per share (cents)		6.67
- diluted earnings per share (cents)		6.67

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION AS AT
31 DECEMBER 2014**

	Note	As at 31 December 2014 \$000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		20,165
Trade and other receivables		134
TOTAL CURRENT ASSETS		20,299
NON-CURRENT ASSETS		
Financial Assets	3	47,696
Deferred tax assets		391
TOTAL NON-CURRENT ASSETS		48,088
TOTAL ASSETS		68,386
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables		208
Current tax liabilities		176
TOTAL CURRENT LIABILITIES		384
NON-CURRENT LIABILITIES		
Deferred tax liabilities		4,715
TOTAL NON-CURRENT LIABILITIES		4,715
TOTAL LIABILITIES		5,099
NET ASSETS		63,287
EQUITY		
Issued capital	4	55,379
Share option reserve	4	3,748
Retained earnings		4,160
TOTAL EQUITY		63,287

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED
31 DECEMBER 2014**

Company	Note	Ordinary Share Capital \$000	Share Option Reserve	Retained Earnings \$000	Total \$000
Balance at 4 August 2014		-	-	-	-
Comprehensive income					
Profit for the period		-	-	4,160	4,160
Total comprehensive income for the period		-	-	4,160	4,160
Transactions with owners, in their capacity as owners, and other transfers					
Shares and options issued during the period	4	58,715	3,748	-	62,463
Deferred tax on opening cost base taken to issued capital		(2,914)	-	-	(2,914)
Transaction costs, net of tax		(421)	-	-	(421)
Total transactions with owners and other transfers		55,379	3,748	-	59,127
Balance at 31 December 2014		55,379	3,748	4,160	63,287

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 DECEMBER 2014**

	Period from 4 August 2014 to 31 December 2014 \$000
CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers and employees	(1,296)
Interest received	62
Net cash used in operating activities	(1,234)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of financial assets at fair value through profit and loss	(3,000)
Net cash used in investing activities	(3,000)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of shares, net of payouts	25,000
Payments relating to costs of initial public offering	(601)
Net cash provided by financing activities	24,399
Net increase in cash held	20,165
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	20,165

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

Note 1: Summary of Significant accounting policies**a. Basis of Preparation**

These general purpose interim financial statements for interim reporting period ended 31 December 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. It is recommended that this financial report be read in conjunction with the Prospectus dated 20 November 2014 together with any public announcements made during the half-year.

These interim financial statements were authorised for issue on 20th February 2015.

b. Accounting Policies

The accounting policies adopted are consistent with those outlined in the prospectus lodged with the ASX on 20 November 2014.

c. Accounting Period

The financial report reflects the period from 4 August 2014 being the date of incorporation to 31 December 2014. Accordingly, there are no comparatives.

Note 2: Profit For The Period

Period from
4 August 2014 to
31 December 2014
\$000

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

Fair value gains on financial assets at fair value through profit or loss	6,868
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During the period, investments in two of the three financial assets held by the entity increased in value. In particular, revaluation of the investment in SiteMinder contributed revenue of \$6,184,000. Valuation methodology of all financial assets is consistent with the methodology used in the prospectus.

Note 3: Financial Assets

As at
31 December 2014
\$000

SiteMinder	25,000
SMI	5,500
Viocorp	17,197
	47,696

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

Note 4: Issued Capital and Share Option Reserve

Movements in share capital are set out below:

	No.	\$
Opening balance at 4 August 2014	1	1
Ordinary shares issued during the period	62,462,892	58,715,118
Less Deferred tax on opening cost base taken to issued capital		(2,914,281)
Less Costs directly attributable to the issue of ordinary shares		(421,428)
Closing balance at 31 December 2014	62,462,893	55,379,410

Movements in share option reserve are set out below:

	No.	\$
Opening balance at 4 August 2014	-	-
Options issued during the period	62,462,892	3,747,774
Total Share Capital and Options	62,462,892	59,127,184

Note 5: Operating Segments

The Company has one operating segment: Internet Related Businesses. It earns revenue from gains on revaluation of financial assets held at fair value through profit or loss, interest income and other returns from investment. This operating segment is based on the internal reports that are reviewed and used by the Directors in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The company invests in securities recorded as financial assets held at fair value through profit or loss.

Note 6: Contingent Liabilities

During 2014, the Company entered into a contract appointing the Manager to manage the investment portfolio of the Company, whereby the Manager would receive a performance fee on certain conditions being met. The performance fee estimated if investments were realised at current values has been treated as a contingent liability of approximately \$730K (after tax benefit).

Note 7: Events After the End of the Interim Period

The directors are not aware of any significant events since the end of the interim period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

Note 8: Fair Value Measurement**a. Valuation Techniques**

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The Australian Private Equity and Venture Capital Association (AVCAL) has prepared the International Private Equity and Venture Capital Guidelines (Valuation Guidelines). The Valuation Guidelines set out recommendations on the valuation of private equity investments which are intended to represent current best practice. The Directors have referred to the Valuation Guidelines in order to determine the "fair value" of the financial asset.

The "fair value" of the financial asset is assumed to be the price that would be received for the financial asset in an orderly transaction between knowledgeable and willing but not anxious market participants acting at arm's length given current market conditions at the relevant measurement date. Fair value for unquoted or illiquid investments is often estimated with reference to the potential realisation price for the investment or underlying business if it were to be realised or sold in an orderly transaction at the measurement date, regardless of whether an exit in the near future is anticipated and without reference to amounts received or paid in a distressed sale.

AVCAL suggests that one or more techniques should be adopted to calculate a private equity investment based on the valuer's opinion of which method or methods are considered most appropriate given the nature, facts and circumstances of the particular investment. In considering the appropriateness of each technique, AVCAL suggests the economic substance of the investment should take priority over the strict legal form.

AVCAL provides guidance on a range of valuation methodologies that are commonly used to determine the value of private equity investments in the absence of an active market, including:

- price of recent investments;
- earnings multiples;
- revenue multiples;
- net asset values;
- discounted cash flows of the underlying assets
- discounted cash flows of the investment; and
- industry valuation benchmarks.

b. Financial Instruments

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities:

31 December 2014		
	Carrying Amount	Fair Value
	\$000	\$000
Financial assets:		
Cash and cash equivalents	20,165	20,165
Trade and other receivables	134	134
Financial assets	47,696	47,696
	67,995	67,995
Financial liabilities:		
Trade and other payables	208	208
	208	208

c. Recurring and Non-recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements Are Categorised

Fair Value Measurements at 31 December 2014 Using:				
Description	Note	Quoted Prices in Active Markets for Identical Assets	Significant Observable Inputs Other than Level 1 Inputs	Significant Unobservable Inputs
		\$000	\$000	\$000
		(Level 1)	(Level 2)	(Level 3)
Recurring fair value measurements				
Financial assets at fair value through profit or loss		-	-	47,696
		-	-	47,696

d. Valuation Techniques and Inputs Used to Determine Level 3 Fair Values

	Fair Value at 31 December 2014 \$000	Valuation Techniques	Significant Unobservable Inputs	Range of Unobservable Inputs
SiteMinder	25,000	Revenue multiple	Revenue multiple	4.0x - 8.0x
Viocorp	17,197	Cost plus accrued interest Revenue multiple	Interest on convertible notes Revenue multiple	2.0x - 5.0x
SMI	5,500	Cost plus accrued interest Revenue multiple	Revenue multiple	3.0x - 8.0x

There were no changes during the period in the valuation techniques used by the Company to determine Level 3 fair values.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

Note 8: Fair Value Measurement

e Sensitivity Information

The relationships between the significant unobservable inputs and the fair value are as follows:

Inputs	Impact on Fair Value from Increase in Input	Impact on Fair Value from Decrease in Input
Revenue multiple	Increase	Decrease
Cost plus accrued interest	Increase	Decrease

There were no significant interrelationships between unobservable inputs except as indicated above.

f Reconciliation of Recurring Fair Value Measurement Amounts
(Level 3)Financial Assets
\$000

Opening balance	-
Additions/purchases made during the Period	40,828
Gains and losses recognised in profit or loss	6,868
Closing balance	47,696

Note 9: Related Party Transactions

All transactions with related parties are conducted on normal commercial terms and conditions, and include:

- a) Management fees paid and accrued under the agreement with the Manager as outlined in the Prospectus. Management fees paid or payable for the period 4 August 2014 to 31 December 2014 were \$151,179.
- b) Directors' Fees paid or accrued for the period to 31 December 2014 for Andrew Bullock were \$25,105
- c) Directors' Fees paid or accrued for the period to 31 December 2014 for Sankar Narayan were \$19,040
- d) Directors' Fees paid or accrued for the period to 31 December 2014 for Heith Mackay-Cruise were \$17,860

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Bailador Technology Investments Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 10, are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the Period ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director


Paul Wilson

Dated this 20th day of February 2015

BAILADOR TECHNOLOGY INVESTMENTS LIMITED
ABN 38 601 048 275

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
BAILADOR TECHNOLOGY INVESTMENTS LIMITED

SYDNEY

Level 40
2 Park Street
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Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Bailador Technology Investments Limited, which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Interim Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Bailador Technology Investments Limited's financial position as at 31 December 2014 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Bailador Technology Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and 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.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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BAILADOR TECHNOLOGY INVESTMENTS LIMITED
ABN 38 601 048 275

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
BAILADOR TECHNOLOGY INVESTMENTS LIMITED

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Bailador Technology Investments Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of Bailador Technology Investments Limited's financial position as at 31 December 2014 and of its performance for the period ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Hall Chadwick

HALL CHADWICK
Level 40, 2Park Street
Sydney NSW 2000

DT

DREW TOWNSEND
Partner
Dated: 20 February 2015