

1. Company details

Name of entity:	SiteMinder Limited
ABN:	59 121 931 744
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	27.9% to	91,722
Loss from ordinary activities after tax attributable to the owners of SiteMinder Limited	down	41.8% to	(14,859)
Loss for the half-year attributable to the owners of SiteMinder Limited	down	41.8% to	(14,859)

Dividends

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

Comments

The loss for the Group after providing for income tax amounted to \$14,859,000 (31 December 2022: \$25,527,000).

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

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	8.16	17.78

The net tangible assets per ordinary security is calculated as follows:

	Consolidated 31 Dec 2023 \$'000	31 Dec 2022 \$'000
Net assets	70,065	92,465
Less: Right-of-use assets	(9,665)	(9,091)
Less: Intangibles	(51,105)	(48,609)
Add: Lease liabilities	12,329	11,914
Net tangible assets	21,624	46,679

	Number	Number
Total shares issued	265,155,557	262,608,859

4. Control gained over entities

Not applicable.

5. 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.

6. 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.

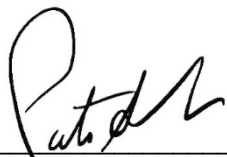
7. Attachments

Details of attachments (if any):

The Interim report for SiteMinder Limited for the half-year ended 31 December 2023 is attached.

8. Signed

As authorised by the Board of Directors



Pat O'Sullivan
Chairman

27 February 2024
Sydney



Sankar Narayan
Managing Director and Chief Executive Officer

SiteMinder Limited and its controlled entities

ABN 59 121 931 744

Interim report for the half-year ended - 31 December 2023

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', 'parent entity' or 'SiteMinder') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023 ('H1FY24').

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:

Pat O'Sullivan	Non-Executive Chairman
Sankar Narayan	Managing Director and Chief Executive Officer
Jennifer Macdonald	Non-Executive Director
Kim Anderson	Non-Executive Director
Paul Wilson	Non-Executive Director
Leslie Szekely	Non-Executive Director
Dean A. Stoecker	Non-Executive Director

Principal activities

The Group's commerce platform for accommodation providers encompasses solutions in the spaces of direct and third-party distribution, analytics and market insights, guest communication and upselling, property management, payments and website design and creation. The Group's solutions are designed to support accommodation providers of all types and sizes in managing every stage of their customers' journey.

During the financial half-year, the Group's principal activities consisted of the development, sales and marketing of its online guest acquisition platform and commerce solutions to accommodation providers, delivered via a software-as-a-service ('SaaS') subscription model.

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

Dividends

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

Review of operations

The loss for the Group after providing for income tax amounted to \$14,859,000 (31 December 2022: \$25,527,000).

Business overview

The Group is the world's leading commerce platform for accommodation providers and has two core subscription offerings in the form of the SiteMinder Platform ('Platform') and Little Hotelier.

The Platform supports accommodation providers with key tools to grow reservations through direct customer acquisition, distribution through global and regional travel channels, increase revenue generating opportunities, get insights on their performance and eliminate costly manual processes.

Little Hotelier serves as an 'all-in-one' technology solution for smaller accommodation providers by combining the Platform's capabilities with a property management system ('PMS'), which has been designed specifically for their needs, to assist them with front-desk and other business operational functions.

Subscribers to the Platform and Little Hotelier can select a number of add-on capabilities for an additional monthly charge or variable fees based on the number or value of bookings. The Group currently offers add-on capabilities to support payment processing, meta-search marketing, Global Distribution System ('GDS') connectivity, guest engagement, multi-property management and revenue management system ('RMS') integration.

SiteMinder is a global business with the largest footprint of its direct competitors. The Group serves 41,600 properties of all sizes in over 150 countries, employs staff in over 20 countries across 6 global sales hubs and 9 offices and remote working locations and offers a multilingual platform in 8 languages. In the 12 months ending 31 December 2023, the Group facilitated over 115 million bookings with a value in excess of \$70 billion.

Growth strategy

The Group's growth strategy is centred around the deployment of its hotel commerce platform led by its two core subscription offerings in the Platform and Little Hotelier.

The Group's hotel commerce platform is highly rated in the industry and is a leading award winner at the annual HotelTechAwards, an award independently operated by the HotelTechReport. The Group's products are recognised by its customers and industry experts for their ease of use, customer support, reliability and the quality and depth of connectivity with the broader hotel tech ecosystem.

The Group will focus on continued organic growth with strong unit economics underpinned by multiple levers including property growth, subscription upsell, transaction products and targeted mergers and acquisitions to complement existing platform capabilities.

- **Property growth:** With a total addressable market of over one million hotel properties globally, the Group believes there is a significant opportunity for growth by expanding its current customer base of 41,600 properties. The Group aims to grow its property base by investing in its product offering so it can better target various market segments and also in its multichannel go-to-market engine in terms of both capacity and capability.

As part of its product development efforts, the Group launched the SiteMinder Platform in the year ended 30 June 2022. The Platform delivered immediate tangible benefits with the integration of the Group's products helping deliver an improved user interface, enhanced customer experience through task automation and improved data management and sharing.

During H1FY24, the Group detailed plans to evolve the Platform under its Smart Platform Strategy which will initially involve the development of two new capabilities, Dynamic Revenue Plus and Channels Plus. These capabilities will leverage the Group's industry leading data assets with machine learning and artificial intelligence to help hoteliers automate and optimise key commercial decisions such as pricing and distribution channel selection. The capabilities will be delivered in a phased manner beginning in mid-calendar year 2024 and will significantly increase the value of SiteMinder's product offering hence making it attractive to more hoteliers.

The Group continues to make progress in rolling out its digital sales and on-boarding capabilities. It is the Group's intent to make digital sales and on-boarding available where the Group believes it will deliver superior customer and business outcomes. The option to on-board digitally and unassisted helps make the Group's products more attractive by making their implementation less disruptive.

- **Subscription upsell:** The Group is focused on growing subscription revenue per property by offering access to additional functionality via re-priced plans, new premium bundle plans, or as a standalone additional add-on.

SiteMinder Platform customers currently choose one of two plans, SiteMinder or SiteMinder Plus; while Little Hotelier customers choose between the Basics, Flex and Pro plans. The release of future capabilities, such as Dynamic Revenue Plus, may lead to the creation of additional plans to package and monetise the additional capabilities.

The vast majority of existing subscription plans charge subscribers a fixed monthly fee. The Group intends to explore alternative charging mechanisms on future plans such as a percentage of booking value. The design of future charging mechanisms will reflect a number of factors including the needs of the subscribers, the competitive environment and the value generated by the package.

- **Transaction products:** The SiteMinder Pay, Demand Plus and GDS products are of significant strategic value as they embed the Group within the exchange of funds process of its customers, further integrate the Group into the traveller booking experience and provide an avenue to earn commission income on a portion of the \$70 billion of gross booking value that flowed through the Group's systems in the calendar year 2023.

The Group aims to grow the revenue it generates from its transaction products by increasing customer uptake, investing in new products such as Channels Plus, enhancing existing products to improve their effectiveness and leveraging the long-term growth trend in travel activity.

During H1FY24, the uptake of the Group's transaction products increased 36% compared to the previous corresponding period to 22,500. There remain significant opportunities for growth with SiteMinder Pay capturing only 1% of booking value that flowed through the SiteMinder system and Demand Plus capturing less than 1%.

- **Potential mergers and acquisition ('M&A'):** Given the significant opportunities available within the Group's product suite and the geographies in which it operates, the Group is focused on driving organic growth. However, the Group may undertake acquisitions in the future that improves its strategic position and helps strengthen the capabilities of the platform if the right opportunity arises.

Reconciliation to reported results and non-IFRS measures

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

For the purposes of this report, 'underlying' is defined as the reported results as set out in the financial statements adjusted for significant items such as costs related to the initial public offer ('IPO'), refinancing costs, fair value movement on derivative financial instruments, items related to merger and acquisition activity and costs related to the restructuring of the Group's operations.

Non-IFRS (International Financial Reporting Standards) measures (such as earnings before interest, taxation, depreciation and amortisation ('EBITDA')) have been included as the directors believe they provide useful information to assist the reader's understanding of the Group's financial performance. Non-IFRS financial measures should not be viewed in isolation or considered as substitutes for measures reported in accordance with IFRS.

H1FY24 financial performance summary

	6 months ended 31 Dec 2023 (<i>'H1FY24'</i>) \$'000	6 months ended 31 Dec 2022 (<i>'H1FY23'</i>) \$'000	Change \$'000	Change %
Reported financials				
Revenue	91,722	71,722	20,000	28%
- Subscription	60,333	48,721	11,612	24%
- Transaction and other	31,389	23,001	8,388	36%
Reported EBITDA	(2,156)	(15,385)	13,229	
Reported net loss after income tax	(14,859)	(25,527)	10,668	
Reported free cash flow ⁽¹⁾	(10,167)	13,780	(23,947)	
Underlying financials (Non-IFRS)				
Underlying EBITDA	(1,215)	(14,553)	13,338	
Underlying net loss after income tax	(13,808)	(24,695)	10,887	
Underlying free cash flow	(8,683)	(20,254)	11,571	
Key metrics				
Annualised recurring revenue	182,500	143,500	39,000	27%
Properties (#)	41,600	36,600	5,000	14%
Transaction product uptake (#)	22,500	16,500	6,000	36%
Monthly average revenue per user (\$)	383	339	44	13%
- Subscription	251	230	21	9%
- Transaction and other	131	108	23	21%
Monthly revenue churn	1.0%	1.1%	(7)bps	
LTV/CAC	5.3x	3.6x	+1.7x	
- Lifetime value (LTV, \$)	25,394	21,172	4,222	20%
- Cost of acquiring customer (CAC, \$)	4,814	5,941	(1,127)	

(1) H1FY23 reported free cash flow includes \$35 million of inflow from the maturity of term deposits.

EBITDA is calculated by adding interest, tax, depreciation and amortisation expenses to net income. Underlying EBITDA features adjustments to exclude non-recurring items. The Group includes share-based payments expense in its calculation of EBITDA and underlying EBITDA.

Free cash flow is the sum of cash flows from operating and investing activities. Underlying free cash flow features adjustments to exclude non-recurring items. Refer to 'Cash flow statement' section in this report.

Revenue

The Group's total revenue for H1FY24 increased by 27.9% year-on-year ('y/y') to \$91.7 million. On a constant currency ('cc') and organic basis (excluding contributions from the acquisition of GuestJoy), Group revenue increased 22.4% y/y. The key drivers of the revenue performance were subscriber growth, transaction product uptake and price increases.

With the abnormal level of activity in the prior year, comparisons to pre-COVID trading periods are more indicative of business momentum. In H1FY24, revenue was 56% (cc) higher than the corresponding pre-COVID trading period of H1FY20. In H2FY23, revenue was 52% (cc) higher than the corresponding pre-COVID trading period of H2FY19.

Subscription revenue increased 23.8% y/y to \$60.3 million in H1FY24. The growth was mainly driven by a 13.7% y/y increase in the number of properties and an 9.1% increase in subscription average revenue per user ('ARPU'). ARPU benefited from increased customer uptake of the Group's subscription products and price increases.

On a constant currency and organic basis, subscription revenue increased 18.5% y/y, which represents an increase on the 18.0% reported for H2FY23.

Transaction revenue increased by 36.5% y/y to \$31.4 million in H1FY24. On a constant currency and organic basis, transaction revenue increased 30.5% y/y compared to 44.2% y/y in H2FY23. Growth in H1FY24 was impacted by abnormal seasonality last year related to the post COVID-19 recovery in travel demand.

The uptake of the Group's transaction products increased 36.4% y/y to 22,500 with SiteMinder Pay and Demand Plus the key contributors. Additions during H1FY24 were focused on larger sized properties with more rooms and higher gross booking value.

Property count

The total number of properties subscribing to the Group's products increased by 13.7% y/y or 5,000 to reach 41,600.

The rate of organic property net additions during H1FY24 was 2,500, which represented a 56% increase on H1FY23. H1FY24 was impacted by 0.2k of churn, driven by the closure of COVID-19 quarantine properties in Asia. The future impact from COVID-19 quarantine properties is expected to be comparatively modest. Momentum in organic property net additions was driven by the Group's investment in its go-to-market capacity, the maturity of added capacity and channel expansion.

Regional performance

The Americas ('AMER')

Revenue increased by 26.3% y/y to \$24.3 million in H1FY24. On a constant currency basis, revenue increased 22.2% y/y.

With the abnormal level of activity in the prior year, comparisons to pre-COVID trading periods are more indicative of business momentum. In H1FY24, revenue was 94% (cc) higher than the corresponding pre-COVID trading period of H1FY20. In H2FY23, revenue was 95% (cc) higher than the corresponding pre-COVID trading period of H2FY19.

The performance was driven by strong subscriber growth, which increased by 14.1% y/y (organic) to 8,100 combined with price increases and increased uptake of transaction products.

Europe, Middle East and Africa ('EMEA')

Revenue increased by 30.3% y/y to \$37.3 million in H1FY24. On a constant currency basis, revenue increased 20.2% y/y.

With the abnormal level of activity in the prior year, comparisons to pre-COVID trading periods are more indicative of business momentum. In H1FY24, revenue was 63% (cc) higher than the corresponding pre-COVID trading period of H1FY20. In H2FY23, revenue was 63% (cc) higher than the corresponding pre-COVID trading period of H2FY19.

The performance in EMEA benefitted from subscriber growth, price increases and increased uptake of transaction products. The number of subscribers increased by 13.4% y/y. During the financial half-year there were 1,300 net subscriber additions compared to 1,000 in H2FY23. The acceleration in subscriber additions was driven by the Group's investment in its go-to-market capacity and capabilities.

Asia Pacific ('APAC')

Revenue increased by 26.3% y/y to \$30.1 million in H1FY24. On a constant currency basis, revenue increased 25.5% y/y.

APAC's growth moderated from FY23 during which it benefited from easy comparables and the easing of COVID-19 related restrictions in a number of Asian countries including China.

With the abnormal level of activity in the prior year, comparisons to pre-COVID trading periods are more indicative of business momentum. In H1FY24, revenue was 29% (cc) higher than the corresponding pre-COVID trading period of H1FY20. In H2FY23, revenue was 21% (cc) higher than the corresponding pre-COVID trading period of H2FY19.

The number of subscribers in APAC increased 13.8% (organic) y/y to 14,000. During the financial half-year there were 700 net subscriber additions compared to 1,000 in H2FY23. The lower net additions in the region reflected the impact of 0.2k of churn, driven by the closure of COVID-19 quarantine properties in Asia. The future impact from COVID-19 quarantine properties is expected to be comparatively modest.

Discussion of costs

Total expenses for H1FY24 were \$106.8 million, which was \$8.2 million or 8.3% higher than H1FY23.

During H1FY23, the Group recognised one-off charges consisting of \$0.6 million of acquisition related costs and \$0.2 million of restructuring costs. During H1FY24, SiteMinder recognised \$0.4 million of restructuring costs, \$0.5 million of costs related to the origination of a replacement credit facility and \$0.1 million of costs related to the fair value movement on derivative financial instruments.

Excluding the aforementioned items, underlying costs increased by 8.2% y/y or \$8.0 million to \$105.8 million in H1FY24. The increase reflected the net impact of:

- **Employee benefits** increased by \$3.3 million or 6.3% y/y to \$55.8 million in H1FY24. Excluding the one off restructuring charges discussed above, employee benefits increased by \$3.1 million or 6.0% y/y to \$55.3 million. The increase is the result of increased headcount as the Group expanded its go-to-market functions and wage inflation. These were in-part offset by the Group's efforts to globalise its workforce and execution of the cost management program announced in January 2023;
- **Direct transaction costs** increased by \$5.7 million or 38.1% y/y to \$20.6 million in H1FY24. This was in line with the growth in transaction revenue, which increased 36.5% y/y driven by increased product uptake by the Group's customers;
- **Depreciation and amortisation** increased by \$1.3 million or 11.7% y/y to \$12.0 million in H1FY24. The increase reflects the Group's continued investment and capitalisation of research and development ('R&D');
- **Marketing and related expense** decreased by \$1.5 million or 31.8% y/y to \$3.3 million in H1FY24. The reduction was driven by efficiency in lead generation and operating leverage;
- **Technology costs** increased by \$0.2 million or 3.7% y/y to \$5.8 million in H1FY24. The increase reflects the net impact of inflation, additional costs to support the Smart Platform strategy and the execution of the cost management program announced in January 2023; and
- **Professional fees** decreased by \$1.5 million or 44.3% y/y to \$1.9 million in H1FY24 reflecting reduced expenditure on external consultancy services.

Earnings before interest tax depreciation and amortisation ('EBITDA')

Management uses EBITDA to evaluate the operating performance of the business without the non-cash impact of depreciation and amortisation and before interest and taxation. Management may from time to time make adjustments to EBITDA to arrive at 'Underlying EBITDA'.

Underlying EBITDA in H1FY24 has been calculated by adjusting for:

- Restructuring costs of \$0.4 million largely related to the implementation of the cost management program announced in January 2023; and
- Refinancing costs of \$0.5 million largely related to the origination of the replacement credit facility.

Underlying EBITDA in H1FY23 has been calculated by adjusting for:

- Restructuring costs of \$0.2 million; and
- Transaction costs related to the acquisition of GuestJoy OÜ of \$0.6 million.

	H1FY24 \$'000	H1FY23 \$'000
Reported loss after income tax expense	(14,859)	(25,527)
Interest revenue calculated using the effective interest method	(372)	(199)
Fair value movement on derivative financial instruments	110	-
Depreciation and amortisation expense	12,017	10,758
Finance costs	454	396
Income tax expense/(benefit)	494	(813)
Reported EBITDA	(2,156)	(15,385)
Restructuring costs	434	240
Refinancing costs	507	-
M&A related costs	-	592
Underlying EBITDA	(1,215)	(14,553)

Underlying EBITDA improved from (\$14.6) million in H1FY23 to (\$1.2) million in H1FY24. The improvement reflects the net impact of revenue growth, reinvestment in the business to support growth, operating leverage and the execution of the cost management program announced in January 2023.

Net profit after tax ('NPAT')

Net profit after tax ('NPAT') improved from (\$25.5) million in H1FY23 to (\$14.9) million in H1FY24. The improvement reflects the net impact of revenue growth, reinvestment in the business to support growth, operating leverage and the execution of the cost management program announced in January 2023.

Management may from time to time make adjustments to NPAT to derive 'Underlying NPAT'.

Underlying NPAT in H1FY24 has been calculated by adjusting for:

- Restructuring costs of \$0.4 million largely related to the implementation of the cost management program announced in January 2023;
- Refinancing costs of \$0.5 million largely related to the origination of the replacement credit facility; and
- Fair value movements on derivative financial instruments of \$0.1 million not designated as a cash-flow hedge.

Underlying NPAT in H1FY23 has been calculated by adjusting for:

- Restructuring costs of \$0.2 million; and
- Transaction costs related to the acquisition of GuestJoy of \$0.6 million.

Reconciliation of reported NPAT to underlying NPAT:

	H1FY24 \$'000	H1FY23 \$'000
Reported NPAT	(14,859)	(25,527)
Restructuring costs	434	240
Refinancing costs	507	-
Fair value movement on derivative financial instruments	110	-
M&A related costs	-	592
Underlying NPAT	(13,808)	(24,695)

Statement of financial position

The Group's statement of financial position substantially consists of the following items:

- **Cash and cash equivalents** as at 31 December 2023 was \$40.0 million, which was \$11.3 million lower than the balance as at 30 June 2023. This reflects the Group's cash usage for investment in its go-to-market capacity and capabilities and to realise the product development pipeline.

Taking into account term deposits and amount available under its undrawn credit facility, the Group has \$71.5 million of funds available.

- **Intangibles** as at 31 December 2023 was \$51.1 million of which \$39.3 million is capitalised development costs, \$4.8 million is capitalised work-in-progress and \$5.4 million goodwill. The Groups' intangibles increased by \$2.1 million compared to 30 June 2023 due to the on-going capitalisation of development costs and work-in-progress.

Cash flow statement

Operating cash inflows was \$0.7 million in H1FY24 compared to operating cash outflows of \$8.5 million in H1FY23.

H1FY24 included \$0.3 million of IPO related costs, \$0.4 million of restructuring costs and \$0.8 million of costs related to the establishment of the replacement credit facility. H1FY23 included \$0.7 million of pre-IPO historical commitments, \$0.2 million of restructuring costs and \$0.2 million of costs related to the acquisition of GuestJoy OÜ. These items have been excluded for the purpose of determining underlying operating cash outflow.

Underlying operating cash inflow was \$2.2 million in H1FY24 compared to an outflow of \$7.3 million in H1FY23. The improvement reflects the Group's revenue growth, operating leverage and contributions from the cost management program announced in January 2023. During H1FY24, the Group made investments in its go-to-market capacity and capabilities to support future growth.

Investment cash outflows in H1FY24 was \$10.9 million compared to an inflow of \$22.3 million in H1FY23. H1FY23 included inflows of \$35.0 million from the maturity of term deposits and inflow of \$0.2 million related to the acquisition of GuestJoy OÜ. These items have been excluded for the purpose of determining underlying investment cash outflow.

Underlying investment cash flow was (\$10.9) million in H1FY24 compared to (\$12.9) million in H1FY23. The decrease reflects the cadence of the Group's product development pipeline.

Financing cash outflow of \$0.7 million in H1FY24 compared to an inflow of \$0.7 million in H1FY23. The decrease reflects lower proceeds from the exercise of share options and higher repayment of lease liabilities related to the opening of new offices.

Underlying free cash outflow for H1FY24 was \$8.7 million as presented below, representing (9.5)% of revenue, comparing favourably to (28.2)% in H1FY23.

The Group has available cash and term deposits totalling \$42.2 million. The Group also has access to an undrawn credit facility of \$29.4 million.

	H1FY24 \$'000	H1FY23 \$'000
Operating cash flows	744	(8,474)
Investment cash flows	(10,911)	22,254
Reported operating and investment cash flows	(10,167)	13,780
Restructuring costs	434	240
IPO related costs	286	-
Refinancing related costs	764	-
M&A related items	-	(7)
Pre-IPO historical commitments	-	733
(Maturity)/placement of term deposits	-	(35,000)
Underlying free cash flows	(8,683)	(20,254)

Key Software as a Service ('SaaS') metrics

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

Annualised recurring revenue ('ARR') is the prior month's recurring subscription revenue multiplied by 12 and the prior quarter's transaction revenue from subscriber customers multiplied by four (assuming any promotions have ended). 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. Note: ARR does not represent the Group's actual results, is not a financial forecast and should not be used in isolation as a forward-looking indicator of revenue.

ARR at the end of H1FY24 was \$182.5 million, growing 27.2% or 22.9% (cc,organic) from H1FY23. Subscription ARR was \$126.4 million, growing 24.2% or 19.8% (cc,organic) from H1FY23. Transaction ARR was \$56.1 million, growing 34.5% or 30.6% (cc,organic) from H1FY23.

Lifetime value ('LTV') is a calculation designed to estimate the average gross profit that the Group might expect to receive from subscription and transaction revenue over the lifetime of a property subscription. It is calculated by taking the monthly average ARPU of the last 6 months for half year or 12 months for full year, multiplied by the gross margin percentage, divided by monthly revenue churn. LTV is based on annualised calculation of historical metrics at a point in time and is not a forecast of gross profit that any particular customer will generate.

LTV at the end of H1FY24 was \$25,394 compared to \$21,172 in H1FY23. The improvement was driven by subscribers adopting a broader selection of products, higher gross margins and price increases.

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

CAC for H1FY24 was \$4,814, improving 19.0% compared to H1FY23. The improvement reflects the benefits of the Group's investments to ramp its go-to market capacity, the acceleration in subscriber additions and the scalability of the Group's go-to-market engine.

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

LTV/CAC for H1FY24 was 5.3x, compared to 3.6x in H1FY23 representing the net impact of the changes in LTV and CAC.

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 6 months for half year or 12 months for full year. Monthly ARPU increased by 13.0% y/y to \$383 in H1FY24. Subscription monthly ARPU increased 9.1% y/y to \$251 in H1FY24 as subscribers adopted a broader selection of solutions and price increases were implemented. Transaction ARPU increased 21.3% y/y to \$131 in H1FY24 driven by strong and resilient travel activity.

COVID-19 assessment

Since the start of the COVID-19 pandemic in 2020, the global travel sector has undergone significant disruptions given the extended periods of lockdowns, movement restrictions and border closures globally.

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

Towards the end of FY22, as vaccination rates reached adequate levels, many countries started lifting their COVID-19 related restrictions and the Group saw a recovery in global travel activity. This trend continued in FY23 with China announcing on 26 December 2022 that in-bound travellers would no longer be required to quarantine on arrival from 8 January 2023.

The sustained normalisation of travel flows combined with the Group's investment in product development and its go-to-market engine, has seen the Group sustain strong rates of organic revenue growth.

The Group's total revenue for H1FY24 increased by 27.9% on a reported basis or 22.4% y/y ('cc'). The Group's H1FY24 performance was modestly impacted by 0.2k units of churn driven by the closure of COVID-19 quarantine properties in Asia. The impact from COVID-19 quarantine properties is expected to be comparatively modest in future periods.

Macroeconomic assessment

The Group's operating and financial performance is dependent on the health of the travel industry, which is influenced by economic conditions alongside other factors. Lower than expected economic growth, increased unemployment and high rates of cost inflation are examples of economic conditions that would adversely affect the travel industry.

Historically, the impact of changes in economic conditions on the travel industry has been relatively modest. Measures such as 'World Air Travel Passengers Carried', as published by the World Bank, declined by less than 3% during recent recessionary periods with the exception of the period impacted by COVID-19.

The Group has created a World Hotel Index which measures the bookings generated by its subscribers. At the end of December 2023, the volume of bookings generated was above pre COVID-19 levels and the same period in the preceding year.

The Group manages the potential impact of changing macroeconomic conditions by maintaining a flexible cost base and being proactive in positioning the business for changes in the external environment. The Group's offering of subscription products that are relatively low cost and help customers drive incremental revenue and operational efficiencies, has demonstrated resilience in challenging macro conditions, as demonstrated during the COVID-19 pandemic where revenue only fell 5.7% y/y (cc) in FY21.

ESG assessment

The Group views ESG as core to its purpose and ways of working and commits to being open and transparent with internal and external stakeholders as it continues the journey to amplify its positive impacts.

Every year, the Group conducts a review to identify and prioritise its most material ESG factors and where it'll have the greatest opportunity to make a difference. The implementation of its ESG framework has helped the Group determine focus areas in how it engages with its People, Customers, Community, Environment and Governance. Details of the focus areas could be found in the FY23 sustainability report, using the following link:

<https://www.siteminder.com/wp-content/uploads/2023/11/ESG-Statement-SiteMinder-FY2023.pdf>.

The Group's ESG performance was recognised by ISS ESG with the award of Prime Status in 2023. The award of Prime Status confirms SiteMinder fulfilled ISS ESG's demanding requirements regarding sustainability performance for the software and diversified IT services sector.

Failure to fulfill its ESG targets could negatively impact the Group's operations, relationships with key stakeholders and share price performance.

Outlook

The Group's growth guidance is unchanged and continues to target organic revenue growth of 30% in the medium term. The Group expects to be underlying EBITDA profitable and underlying free cash flow positive for H2FY24.

Material business risks

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

Disruption to the growth of the travel Industry

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

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

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

Failure to execute growth strategies

The Group is investing to expand its go-to-market capacity, scale its digital acquisition engine and improve its product portfolio through its Smart Platform strategy and other initiatives. Should these investments fail to contribute as expected to unit economics and future organic growth, or experience delays and additional costs, it would impact the Group's growth and profitability outlook.

People risk

Building adequately skilled and resourced teams across the business is critical for the Group to achieve its revenue growth, EBITDA and free cash flow targets.

To attract and retain staff, the Group offers a comprehensive benefits package that is competitive and multi-faceted. The Group regularly surveys its staff to proactively identify problems within teams and the broader business. The surveys during H1FY24 confirmed high levels of engagement across the business.

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

Performance of technology systems

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

Data security and privacy

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

The Group is PCI DSS (Payment Card Industry Data Security Standard) Level 1 Service Provider and ISO27001 certified. To maintain compliance the Group undergoes an external cybersecurity audit annually, as well as vulnerability testing every three months. The Group operates a security program designed to address information security and secure critical IT assets. The Group continually monitors and improves this.

Significant changes in the state of affairs

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

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group will continue to pursue the significant opportunities presented by an addressable market of more than one million properties and from extending the relationship with its existing customer base and growing their lifetime value to the business.

The realisation of the opportunities will be supported by the delivery of the Smart Platform strategy which was announced during FY23 and further details were released in H1FY24. The Smart Platform Strategy will initially involve the development of two new capabilities, Dynamic Revenue Plus and Channels Plus. These capabilities will leverage SiteMinder's industry leading data assets with machine learning and artificial intelligence to help hoteliers automate and optimise key commercial decisions such as pricing and distribution channel selection. The capabilities will be delivered in a phased manner beginning in mid-calendar year 2024 and will significantly increase the value of SiteMinder's product offering hence making it even more attractive to hoteliers. The strategy will both accelerate SiteMinder's industry leadership and add profitable growth levers to complement its already strong long-term outlook.

The Group is targeting organic revenue growth of 30% in the medium term. The Group expects to continue to focus its product development efforts on the execution of the Smart Platform strategy as well as enhancing its existing portfolio of capabilities. The Group also expects to continue investing in its scalable internal sales, marketing and third-party distribution to support its growth into both existing and new territories.

Environmental regulation

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

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



Pat O'Sullivan
Chairman



Sankar Narayan
Managing Director and Chief Executive Officer

27 February 2024
Sydney

27 February 2024

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

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 those charged with governance of SiteMinder Limited.

As lead audit partner for the review of the half year financial report of SiteMinder Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

Sandeep Chadha

Sandeep Chadha
Partner
Chartered Accountants

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SiteMinder Limited and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



		Consolidated	
	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue	4	91,722	71,722
Other gains/(losses)		89	(32)
Interest revenue calculated using the effective interest method		372	199
Net foreign exchange (losses)/gain		272	382
Expenses			
Direct transaction costs		(20,580)	(14,899)
Merchant fees		(1,032)	(838)
Employee benefits expense	5	(55,758)	(52,437)
Depreciation and amortisation expense	5	(12,017)	(10,758)
Marketing and related expense		(3,309)	(4,854)
Technology costs		(5,750)	(5,544)
Professional fees		(1,920)	(3,449)
Occupancy expense		(1,676)	(1,796)
Fair value movement on derivative financial instruments through profit or loss		(110)	-
Transaction costs related to acquisition		-	(592)
Other expenses		(4,214)	(3,048)
Finance costs	5	(454)	(396)
Loss before income tax (expense)/benefit		(14,365)	(26,340)
Income tax (expense)/benefit		(494)	813
Loss after income tax (expense)/benefit for the half-year attributable to the owners of SiteMinder Limited		(14,859)	(25,527)
Other comprehensive income/(loss)			
<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		492	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net change in the fair value of cash flow hedges taken to equity, net of tax		416	-
Foreign currency translation		(76)	(148)
		-	-
Other comprehensive income/(loss) for the half-year, net of tax		832	(148)
Total comprehensive loss for the half-year attributable to the owners of SiteMinder Limited		(14,027)	(25,675)
		\$	\$
Basic earnings per share	17	(0.06)	(0.10)
Diluted earnings per share	17	(0.06)	(0.10)

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

	Note	Consolidated 31 Dec 2023 \$'000	30 Jun 2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	6	40,030	51,285
Trade and other receivables	7	4,050	5,518
Contract assets		4,484	3,609
Derivative financial instruments at fair value through other comprehensive income	9,16	623	-
Prepayments and deposits		1,692	1,191
Other financial assets	10	877	1,446
Total current assets		<u>51,756</u>	<u>63,049</u>
Non-current assets			
Other receivables		1,438	-
Other financial assets		2,979	2,789
Property, plant and equipment		1,597	1,776
Right-of-use assets	11	9,665	9,698
Intangibles	12	51,105	48,993
Deferred tax asset		328	729
Total non-current assets		<u>67,112</u>	<u>63,985</u>
Total assets		<u>118,868</u>	<u>127,034</u>
Liabilities			
Current liabilities			
Trade and other payables		19,269	19,802
Contract liabilities		6,943	6,184
Lease liabilities		5,402	4,092
Derivative financial instruments at fair value through profit or loss	16	15	-
Provision for income tax		215	143
Employee benefits		6,843	8,027
Contingent consideration	16	2,059	-
Total current liabilities		<u>40,746</u>	<u>38,248</u>
Non-current liabilities			
Lease liabilities		6,927	8,487
Deferred tax liability		74	144
Employee benefits		885	826
Provision		171	166
Contingent consideration	16	-	2,045
Total non-current liabilities		<u>8,057</u>	<u>11,668</u>
Total liabilities		<u>48,803</u>	<u>49,916</u>
Net assets		<u>70,065</u>	<u>77,118</u>
Equity			
Issued capital	13	255,340	248,795
Reserves	14	437,250	436,481
Accumulated losses		<u>(622,525)</u>	<u>(608,158)</u>
Total equity		<u>70,065</u>	<u>77,118</u>

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

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2022	234,014	436,137	(563,284)	106,867
Loss after income tax benefit for the half-year	-	-	(25,527)	(25,527)
Other comprehensive loss for the half-year, net of tax	-	(148)	-	(148)
Total comprehensive loss for the half-year	-	(148)	(25,527)	(25,675)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	4,515	-	-	4,515
Exercise of shares issued under management loan funded share-based payment plan	2,220	-	-	2,220
Share-based payments, net of tax	-	4,538	-	4,538
Balance at 31 December 2022	<u>240,749</u>	<u>440,527</u>	<u>(588,811)</u>	<u>92,465</u>

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	248,795	436,481	(608,158)	77,118
Loss after income tax expense for the half-year	-	-	(14,859)	(14,859)
Other comprehensive income for the half-year, net of tax	-	832	-	832
Total comprehensive income/(loss) for the half-year	-	832	(14,859)	(14,027)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments, net of tax	-	5,114	-	5,114
Transfer of share based-payment expense from share based-payments reserve on vesting of performance rights and exercise of options	4,685	(4,685)	-	-
Exercise of shares issued under management loan funded share-based payment plan	1,056	-	-	1,056
Exercise of options from existing treasury shares	804	-	-	804
Transfer of financial assets at fair value reserve upon disposal of equity instruments designated as at FVTOCI	-	(492)	492	-
Balance at 31 December 2023	<u>255,340</u>	<u>437,250</u>	<u>(622,525)</u>	<u>70,065</u>

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

		Consolidated	
	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		94,720	74,783
Payments to suppliers and employees (inclusive of GST)		(93,001)	(81,521)
Payment for employee incentive and share schemes		(439)	(726)
Interest and other finance costs paid		(430)	(386)
Income taxes paid		(106)	(624)
Net cash provided by/(used in) operating activities		744	(8,474)
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired		-	165
Interest received		313	301
Payments for financial assets		(302)	-
Payments for property, plant and equipment		(321)	(734)
Payments for intangibles		(11,029)	(12,233)
Repayment from/(placement of) security deposits		427	(261)
Proceeds from disposal of property, plant and equipment		1	16
Repayment from term deposits		-	35,000
Net cash (used in)/provided by investing activities		(10,911)	22,254
Cash flows from financing activities			
Proceeds from management share loan and options	13	1,860	2,220
Payments for transaction costs related to borrowing and loan		(194)	(54)
Repayment of lease liabilities		(2,325)	(1,492)
Net cash (used in)/provided by financing activities		(659)	674
Net (decrease)/increase in cash and cash equivalents		(10,826)	14,454
Cash and cash equivalents at the beginning of the financial half-year		51,285	26,598
Effects of exchange rate changes on cash and cash equivalents		(429)	49
Cash and cash equivalents at the end of the financial half-year		40,030	41,101

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

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

The Group's commerce platform for accommodation providers encompasses solutions in the spaces of direct and third-party distribution, analytics and market insights, guest communication and upselling, property management, payments and website design and creation. The Group's solutions are designed to support accommodation providers of all types and sizes in managing every stage of their customers' journey.

During the financial half-year, the Group's principal activities consisted of the development, sales and marketing of its online guest acquisition platform and commerce solutions to accommodation providers, delivered via a software-as-a-service ('SaaS') subscription model.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 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 2023 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 accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Derivative financial instruments

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

Changes in the fair value of derivatives and hedging instruments that are not designated or qualify as cash flow hedges is recognised in profit or loss.

Cash flow hedges

Cash flow hedges are used to cover the Group's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Note 2. Material accounting policy information (continued)

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively with any gain or loss accumulated in the cash flow hedge reserve reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

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.

Note 3. Operating segments

Identification of reportable operating segments

The Group operates within one business segment, being the operation of an online hotel booking platform assisting worldwide accommodation providers in gaining more online bookings and managing their online room distribution and reports to the Board of Directors (who are identified as the chief operating decision maker ('CODM')) on the performance of the Group as a whole. While the Group generates revenue in a number of regions including Asia Pacific ('APAC') (Major countries: Australia, New Zealand, Thailand and the Philippines), Europe, the Middle East and Africa ('EMEA') (Major countries: United Kingdom, Spain and Germany) and Americas ('AMER') (Major countries: United States of America 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.

Based on the information provided to and reviewed by the CODM, the nature, amount, timing and uncertainty of revenue and cash flow and how they are affected by economic factors are most appropriately depicted through the types of revenue categories (recurring subscription revenue and recurring transaction revenue), but not types of products. Revenues recorded within these categories are earned from similar products for which the nature of associated fees and the related revenue recognition models are substantially the same.

The amount of revenue disaggregated by categories and geographical regions is disclosed in note 4. The CODM does not review or assess financial performance on a geographical basis or by product categories.

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

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

Note 3. Operating segments (continued)

Non-current assets by geographical area, being Australia (the country of domicile) and other countries are outlined below:

	Geographical non-current assets	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
Australia	46,730	45,269
Other countries	5,973	5,500
	<u>52,703</u>	<u>50,769</u>

The geographical non-current assets above are exclusive of, where applicable, financial assets, right-of-use assets, deferred tax asset and predominately relates to intangible assets.

Note 4. Revenue

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
<i>Revenue from contracts with customers</i>		
Recurring subscription revenue - over a period of time	60,333	48,721
Recurring transaction revenue - at a point in time	31,389	23,001
Total revenue	<u>91,722</u>	<u>71,722</u>

Disaggregation of revenue

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

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
<i>Geographical regions</i>		
Asia Pacific ('APAC')	30,113	23,842
Europe, Middle East and Africa ('EMEA')	37,261	28,605
Americas ('AMER')	24,348	19,275
	<u>91,722</u>	<u>71,722</u>

Major customers

During the half-years ended 31 December 2023 and 31 December 2022, there were no major customers that represent greater than 10% of the Group's revenue.

Note 5. Loss before income tax expense

Consolidated
31 Dec 2023 31 Dec 2022
\$'000 \$'000

Loss before income tax includes the following specific expenses:

Depreciation and amortisation expense

Depreciation of property, plant and equipment	495	415
Depreciation of right-of-use assets	2,084	1,412
Amortisation of intangible assets	9,438	8,931

Total depreciation and amortisation expense	12,017	10,758
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Finance costs

Interest and finance charges paid/payable on lease liabilities	393	386
Interest on insurance premium fundings	14	5
Unwinding of the discount on lease make good provision	5	5
Unwinding of the discount on contingent consideration	42	-

Finance costs expensed	454	396
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Leases (included in occupancy expense)

Short-term lease payments	490	639
Low-value assets lease payments	3	4
	493	643

Superannuation expense

Defined contribution superannuation expense	2,857	3,118
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Employee benefits expense

Employee benefits*	59,618	58,942
Capitalised employee benefits expense**	(10,282)	(11,661)
Expenses associated with share-based payment plans	6,203	5,156
Expense associated with cash tenure incentive bonus	219	-

Total employee benefits expense	55,758	52,437
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* Employee benefits include \$2,857,000 (31 December 2022: \$3,118,000) defined contribution superannuation expense.

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

Note 6. Current assets - cash and cash equivalents

Consolidated
31 Dec 2023 30 Jun 2023
\$'000 \$'000

Cash at bank	40,030	51,285
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For the purposes of the 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 statement of financial position as above.

Note 7. Current assets - trade and other receivables

	Consolidated 31 Dec 2023 \$'000	30 Jun 2023 \$'000
Trade receivables	3,784	4,277
Less: Allowance for expected credit losses	(670)	(360)
	<u>3,114</u>	<u>3,917</u>
Other receivables	936	1,601
	<u>4,050</u>	<u>5,518</u>

Note 8. Current assets - contract assets

	Consolidated 31 Dec 2023 \$'000	30 Jun 2023 \$'000
Contract assets	<u>4,484</u>	<u>3,609</u>

Reconciliation

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

Opening balance	3,609	2,495
Additions	25,350	35,990
Transfer to trade receivables	(24,421)	(34,969)
Exchange differences	(54)	93
Closing balance	<u>4,484</u>	<u>3,609</u>

There is no allowance for expected credit losses in respect to contract assets as at 31 December 2023 and 30 June 2023.

Note 9. Current assets - derivative financial instruments at fair value through other comprehensive income

	Consolidated 31 Dec 2023 \$'000	30 Jun 2023 \$'000
Derivative financial asset	<u>623</u>	<u>-</u>

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:

Opening fair value	-	-
Additions	207	-
Revaluation increments	416	-
Closing fair value	<u>623</u>	<u>-</u>

Refer to note 16 for further information on fair value measurement.

Note 10. Current assets - other financial assets

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
Security deposits	877	1,446

Note 11. Non-current assets - right-of-use assets

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
Land and buildings - right-of-use	20,616	18,604
Less: Accumulated depreciation	(10,951)	(8,906)
	<u>9,665</u>	<u>9,698</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.

Reconciliations

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

Consolidated	Land and buildings \$'000
Balance at 1 July 2023	9,698
Additions	2,060
Remeasurement of leases	7
Exchange differences	(16)
Depreciation expense	<u>(2,084)</u>
Balance at 31 December 2023	<u>9,665</u>

Note 12. Non-current assets - intangibles

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$'000	\$'000
Goodwill - at cost	5,405	4,974
	<u>5,405</u>	<u>4,974</u>
Customer relationships - at cost	248	248
Less: Accumulated amortisation	(28)	(17)
	<u>220</u>	<u>231</u>
Software - at cost	2,986	2,986
Less: Accumulated amortisation	(1,575)	(1,308)
	<u>1,411</u>	<u>1,678</u>
Capitalised development costs - at cost	105,268	96,134
Less: Accumulated amortisation	(66,008)	(56,847)
	<u>39,260</u>	<u>39,287</u>
Capitalised work-in-progress - at cost	4,775	2,789
	<u>4,775</u>	<u>2,789</u>
Brand - at cost	34	34
	<u>34</u>	<u>34</u>
	<u><u>51,105</u></u>	<u><u>48,993</u></u>

Reconciliations

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

	Goodwill	Customer	Software	Capitalised	Capitalised	Brand	Total
	\$'000	relationships	\$'000	development	work-in-	\$'000	\$'000
Consolidated	\$'000	\$'000	\$'000	costs	progress	\$'000	\$'000
Balance at 1 July 2023	4,974	231	1,678	39,287	2,789	34	48,993
Additions	-	-	-	7,996	3,123	-	11,119
Disposals	-	-	-	-	-	-	-
Exchange differences	431	-	-	-	-	-	431
Transfers in/(out)	-	-	-	1,137	(1,137)	-	-
Amortisation expense	-	(11)	(267)	(9,160)	-	-	(9,438)
Balance at 31 December 2023	<u>5,405</u>	<u>220</u>	<u>1,411</u>	<u>39,260</u>	<u>4,775</u>	<u>34</u>	<u>51,105</u>

Note 13. Equity - issued capital

	Consolidated			
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	Shares	Shares	\$'000	\$'000
Ordinary shares	277,066,106	275,066,106	276,586	271,097
Shares issued under management loan funded share-based plan	(9,507,185)	(10,176,287)	(21,246)	(22,302)
Treasury shares issued for other share-based payment plans	(2,403,364)	(1,746,452)	-	-
	<u>265,155,557</u>	<u>263,143,367</u>	<u>255,340</u>	<u>248,795</u>

Note 13. Equity - issued capital (continued)

Movements in share capital

	Ordinary shares		Shares issued under management loan funded share-based plan		Treasury shares issued for other share-based payment plans		Equity - issued capital	
	Shares	\$'000	Shares	\$'000	Shares	\$'000	Shares	\$'000
Balance at 1 July 2023	275,066,106	271,097	(10,176,287)	(22,302)	(1,746,452)	-	263,143,367	248,795
Treasury shares issued	2,000,000	-	-	-	(2,000,000)	-	-	-
Transfer of share-based payment expense from share-based payments reserve on vesting of performance rights and exercise of options (note 14)	-	4,685	-	-	1,343,088	-	1,343,088	4,685
Exercise of shares issued under management loan funded share-based payment plan	-	-	669,102	1,056	-	-	669,102	1,056
Exercise of options from existing treasury shares	-	804	-	-	-	-	-	804
Balance at 31 December 2023	<u>277,066,106</u>	<u>276,586</u>	<u>(9,507,185)</u>	<u>(21,246)</u>	<u>(2,403,364)</u>	<u>-</u>	<u>265,155,557</u>	<u>255,340</u>

Ordinary shares

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

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

Shares issued under management loan funded share-based plan

In FY2017 a Loan Funded Share Plan was established to align the interests of eligible employees more closely with the interests of shareholders by providing an opportunity for eligible employees to receive an equity interest in the Company. Under the plan, participants were issued fully paid L Class Shares in the Company and given a limited recourse loan from the Company to fund the acquisition of those L Class Shares ('Limited Recourse Loan'). Since the initial public offer ('IPO'), the L Class Shares were converted to Ordinary shares. Voluntary repayments of a Limited Recourse Loan can be made at any time with compulsory repayment required when exercised upon which participants will receive ordinary shares. Shares under the plan confer no voting rights, however they carry rights to dividends. The loan to participants for the shares issued has been deducted from equity as the scheme is treated as an in substance share option.

Treasury shares

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

Note 14. Equity - reserves

	Consolidated 31 Dec 2023 \$'000	30 Jun 2023 \$'000
Foreign currency translation reserve	(2,613)	(2,537)
Hedging reserve - cash flow hedges	416	-
Share-based payments reserve	23,590	23,161
Share buy-back reserve	(6,399)	(6,399)
Embedded derivative conversion reserve	422,256	422,256
	<u>437,250</u>	<u>436,481</u>

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	Hedging reserve \$'000	Share- based payments 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 2023	(2,537)	-	23,161	(6,399)	-	422,256	436,481
Revaluation - gross	-	416	-	-	-	-	416
Foreign currency translation	(76)	-	-	-	-	-	(76)
Share-based payments	-	-	5,114	-	-	-	5,114
Gain on the revaluation of financial assets	-	-	-	-	492	-	492
Transfer to issued capital on vesting of performance rights and exercise of options (note 13)	-	-	(4,685)	-	-	-	(4,685)
FVTOCI transferred to accumulated losses upon disposal	-	-	-	-	(492)	-	(492)
Balance at 31 December 2023	<u>(2,613)</u>	<u>416</u>	<u>23,590</u>	<u>(6,399)</u>	<u>-</u>	<u>422,256</u>	<u>437,250</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.

Hedging reserve

The reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

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.

Note 14. Equity - reserves (continued)

Embedded derivative conversion reserve

The reserve represents the excess of the derivative fair value on conversion over the preference share capital initially contributed. On initial public offer, all preference shares were converted to ordinary shares.

- * Accumulated losses balance in the statement of financial position includes \$422,256,000 (30 June 2023: \$422,256,000) accumulated losses resulting from fair value through profit or loss of embedded derivative movement of preference shares and \$205,096,000 (30 June 2023: \$190,237,000) accumulated losses from operations.

Note 15. Equity - dividends

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

Note 16. 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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Consolidated - 31 Dec 2023				
<i>Assets</i>				
Derivative financial asset at fair value through other comprehensive income	-	623	-	623
Other receivable that relates to the gain on disposal of equity instrument	-	-	492	492
Total assets	-	623	492	1,115
<i>Liabilities</i>				
Derivative financial liability at fair value through profit or loss	-	15	-	15
Contingent consideration	-	-	2,059	2,059
Total liabilities	-	15	2,059	2,074
Consolidated - 30 Jun 2023				
<i>Liabilities</i>				
Contingent consideration	-	-	2,045	2,045
Total liabilities	-	-	2,045	2,045

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables (except for other receivable that relates to the gain on disposal of equity instrument) 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

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Note 16. Fair value measurement (continued)

The fair value of other receivable that relates to the gain on disposal of equity instrument has been estimated based on terms in the contract.

Contingent consideration relates to the acquisition of the subsidiary GuestJoy OÜ and is calculated based on probability of achievements on post-acquisition deliverables.

Level 3 assets and liabilities

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

	Other receivable \$'000	Contingent consideration \$'000
Consolidated		
Balance at 1 July 2023	-	(2,045)
Additions	492	-
Exchange difference	-	(14)
Balance at 31 December 2023	<u>492</u>	<u>(2,059)</u>

Note 17. Earnings per share

	Consolidated 31 Dec 2023 \$'000	31 Dec 2022 \$'000
Loss after income tax attributable to the owners of SiteMinder Limited	<u>(14,859)</u>	<u>(25,527)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>264,508,844</u>	<u>260,124,308</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>264,508,844</u>	<u>260,124,308</u>
	Consolidated 6 months ended 31 Dec 2023 \$	6 months ended 31 Dec 2022 \$
Basic earnings per share	(0.06)	(0.10)
Diluted earnings per share	(0.06)	(0.10)

Share options and preference shares have been excluded from the above calculation as they were anti-dilutive.

Note 18. 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 zero to three 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' in the statement of financial position.

Note 18. Share-based payments (continued)

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

On 30 May 2022, the Shadow Equity Plan was terminated and replaced with a cash tenure bonus at a fixed dollar value based on a percentage of annual salary and not linked to the share price.

The share-based payment expense is disclosed in note 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 three to four years and can be exercised up to three years after the vesting period.

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

	Number of options 31 Dec 2023	Weighted average exercise price 31 Dec 2023	Number of options 31 Dec 2022	Weighted average exercise price 31 Dec 2022
Outstanding at the beginning of the financial half-year	11,233,198	\$3.19	6,226,240	\$4.24
Granted	1,989,688	\$4.50	328,680	\$3.84
Forfeited	(119,469)	\$4.19	(473,994)	\$5.03
Exercised	(540,000)	\$1.74	-	\$0.00
Outstanding at the end of the financial half-year	<u>12,563,417</u>	\$4.14	<u>6,080,926</u>	\$4.16
Exercisable at the end of the financial half-year	<u>3,780,201</u>	\$4.25	<u>2,524,935</u>	\$3.41

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

Grant date	31 Dec 2023 Number	30 Jun 2023 Number
03/06/2019	500,000	1,000,000
21/08/2019	160,000	80,000
01/07/2020	1,040,000	690,000
02/08/2021	360,000	180,000
08/11/2021	1,710,357	1,433,750
14/04/2022	9,844	9,844
	<u>3,780,201</u>	<u>3,393,594</u>

The weighted average share price at the date of exercise of options during the financial half-year was \$4.86 (30 June 2023: \$nil).

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 1.24 years (30 June 2023: 1.61 years).

Note 18. Share-based payments (continued)

For the options granted during the current financial 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
09/08/2023	20/11/2027	\$4.11	\$3.84	50.00%	3.73%	\$1.65
15/11/2023	20/11/2028	\$4.81	\$4.53	50.00%	4.17%	\$2.13

Equity Performance Rights Plan

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 three years.

	Number of rights 31 Dec 2023	Weighted average exercise price 31 Dec 2023	Number of rights 31 Dec 2022	Weighted average exercise price 31 Dec 2022
Outstanding at the beginning of the financial half-year	3,931,143	\$0.00	3,634,608	\$0.00
Granted	2,277,001	\$0.00	1,612,297	\$0.00
Forfeited	(346,712)	\$0.00	(254,745)	\$0.00
Vested and exercised	(968,102)	\$0.00	(1,027,275)	\$0.00
Outstanding at the end of the financial half-year	<u>4,893,330</u>	\$0.00	<u>3,964,885</u>	\$0.00
Exercisable at the end of the financial half-year	<u>57,297</u>	\$0.00	<u>34,341</u>	\$0.00

Set out below are the number of equity performance rights exercisable at the end of the financial half-year:

	31 Dec 2023 Number	30 Jun 2023 Number
08/11/2021	56,658	26,363
14/04/2022	639	639
	<u>57,297</u>	<u>27,002</u>

The weighted average remaining contractual life of equity performance rights outstanding at the end of the financial half-year was 1.11 years (30 June 2023: 1.13 years).

Total Shareholder Returns ('TSR') Performance Rights

The Board of Directors of the Group established the SiteMinder TSR 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 vesting of TSR Performance Rights is subject to:

- a relative TSR measure, reflecting Shareholders' experience, tested over the performance period from 1 January 2023 to 30 June 2025 for both Tranches 1 and 2; and
- continued employment up to 1 July 2024 for Tranche 1 Performance Rights and 1 July 2025 for Tranche 2 Performance Rights.

Broadly, TSR calculates the return Shareholders would earn if they held a notional number of Shares over a period of time. It measures the change in the Company's share price, together with the value of dividends during the relevant period. Relative TSR compares the Company's TSR performance against the TSR of a bespoke peer group of companies.

Note 18. Share-based payments (continued)

The percentage of TSR Performance Rights that vest, if any, will be determined with reference to the Company's TSR in comparison to that of companies in the bespoke peer group over the performance period (from 1 January 2023 to 30 June 2025).

	Number of rights 31 Dec 2023	Weighted average exercise price 31 Dec 2023	Number of rights 31 Dec 2022	Weighted average exercise price 31 Dec 2022
Outstanding at the beginning of the financial half-year	237,326	\$0.00	-	\$0.00
Granted	336,166	\$0.00	28,874	\$0.00
Forfeited	(10,111)	\$0.00	-	\$0.00
Outstanding at the end of the financial half-year	<u>563,381</u>		<u>28,874</u>	

No TSR Performance Rights are exercisable as at 31 December 2023 and 30 June 2023.

The weighted average remaining contractual life of TSR Performance Rights outstanding at the end of the financial half-year was 1.88 years (30 June 2023: 1.47 years).

For the TSR Performance Rights granted during the current financial 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	Dividend yield	Risk-free interest rate	Fair value at grant date
09/08/2023	20/11/2027	\$4.11	\$0.00	50.00%	-	3.82%	\$4.11
15/11/2023	20/11/2028	\$4.81	\$0.00	50.00%	-	4.17%	\$4.07

Note 19. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 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 2023 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



Pat O'Sullivan
Chairman



Sankar Narayan
Managing Director and Chief Executive Officer

27 February 2024
Sydney

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

Report on the Half-Year Financial Report

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 2023, and the condensed consolidated statement of profit or loss and other 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 material accounting policies and other explanatory information, and the directors' declaration.

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

- Giving a true and fair view of the Group's financial position as at 31 December 2023 and of 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*.

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 auditor independence requirements of the *Corporations Act 2001* and 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's financial position as at 31 December 2023 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.

The logo for Deloitte Touche Tohmatsu, featuring the company name in a stylized, handwritten-style font.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'Sandeep Chadha'.

Sandeep Chadha
Partner
Chartered Accountants
Sydney, 27 February 2024