



2015 Annual Report

BAILADOR TECHNOLOGY INVESTMENTS LIMITED
(ASX:BTI)

Table of Contents

03	Corporate Summary	.....
04	Board of Directors	.....
06	Letter from the Founders	.....
09	Operating and Financial Review	.....
12	Corporate Governance Statement	.....
16	Directors' Report	.....
20	Auditor's Independence Declaration	.....
21	Statement of Profit or Loss and Other Comprehensive Income	.....
22	Statement of Financial Position	.....
23	Statement of Changes in Equity	.....
24	Statement of Cash Flows	.....
25	Notes to the Financial Statements	.....
38	Directors' Declaration	.....
39	Independent Auditor's Report	.....
41	Shareholder Information	.....

The background features a complex, three-dimensional geometric pattern of blue cubes and rectangular blocks. The blocks are arranged in a staggered, overlapping fashion, creating a sense of depth and perspective. The lighting is dramatic, with bright highlights on the top surfaces of the blocks and deep shadows in the recesses, all set against a dark, almost black, background. The overall color palette is monochromatic, consisting of various shades of blue.

Providing access to a portfolio
of quality, high growth companies
in the technology sector

Corporate Summary

The Company

Bailador Technology Investments Limited is a listed investment company and its shares are listed on the Australian Securities Exchange (ASX:BTI).

Objective

Bailador was established on 4 August 2014 to invest in internet-related businesses in Australia and New Zealand that require growth capital. The Directors believe the information technology sector provides regular investment opportunities for meaningful value creation. Target businesses generally have an enterprise valuation between \$10m and \$200m. In particular, the Company focuses on software, internet, mobile data, online market-places and telecommunications-related businesses with proven revenue generation and management capability, demonstrated business models and expansion opportunities.

Investment Manager

The Company has outsourced its investment management function to Bailador Investment Management Pty Ltd (A.C.N. 143 060 511) (AFSL 400811)(The Manager). The Manager is a Sydney based privately owned investment manager which commenced trading in 2010.

Capital Structure

The Company's capital structure comprises Ordinary Shares with associated options on a one for one basis which are exercisable at \$1.00 (on or before 31 March 2016). The shares (ASX:BTI) and associated options (ASX:BTIO) are each listed on the Australian Securities Exchange.

Risk

The company invests in expansion stage internet-related businesses. The value of the shares and the income derived may fall or rise depending on a range of factors. Refer to Section 8 of the Prospectus of the Company and Note 17 of the Financial Report for further information.

Management Agreement

The Company has an agreement with Bailador Investment Management Pty Ltd for the provision of management services, the details of which are contained in Note 5 of the Financial Report.

	30 June 2015
Total Assets & Net Asset Value (NAV)	\$
Total Assets	69,132,771
NAV per share (pre-tax)	1.082
NAV per share (post tax)	1.011

Board of Directors



David Kirk
Chairman and Executive Director

David has been chief executive of two ASX-listed companies, including diversified media company, Fairfax Media Limited, where he led a number of successful internet sector investments. David is currently Chairman of ASX-listed companies, Trade Me Group Limited and Kathmandu Holdings Limited. He is also a director of Forsyth Barr Limited, a privately owned investment firm, and a director each of SiteMinder, SMI and Viocorp. David was also previously Chairman of Hoyts Group.

David is a Rhodes Scholar with degrees in Medicine from Otago University and Philosophy, Politics and Economics from Oxford University. David enjoyed a highly successful rugby career, captaining the All Blacks to win the World Cup in 1987. He was awarded an MBE in 1987.

David holds 4,174,139 ordinary shares and 4,174,139 options in Bailador Technology Investments Limited. He has an indirect interest in a further 406,986 ordinary shares and 406,986 options in Bailador Technology Investments Limited.



Paul Wilson
Executive Director

Paul has had extensive private equity investment experience as a previous director of CHAMP Private Equity in Sydney and New York and with MetLife in London. Paul was also previously Executive Director at media focused investment group, Illyria Pty Ltd. Paul is the Chairman of SiteMinder and iPRO, and Director of Viocorp, Straker Translations, Stackla, Yellow Pages (New Zealand), the Rajasthan Royals IPL cricket franchise and ASX-listed Vita Group Limited.

Paul holds a Bachelor of Business, Banking and Finance from QUT and is a Fellow of FINSIA. He is a member of the Institute of Chartered Accountants and of the Australian Institute of Company Directors.

Paul acts as Company Secretary for Bailador Technology Investments Limited.

Paul holds 1,463,897 ordinary shares and 1,463,897 options in Bailador Technology Investments Limited. He has an indirect interest in a further 310,423 ordinary shares and 310,423 options in Bailador Technology Investments Limited.



Andrew Bullock
Independent Non-Executive Director

Andrew is a partner at Australian law firm, Gilbert + Tobin in the Corporate Advisory Group. He specialises in mergers and acquisitions, fundraisings and strategic joint ventures and media sectors. He was previously a partner of Minter Ellison and spent 3 years in the London office of Freshfields Bruckhaus Deringer.

Andrew has a Bachelor of Arts from Sydney University and a Bachelor of Laws from the University of New South Wales.

Andrew is the Chair of Bailador's Nomination and Remuneration Committee.

Andrew holds interest in 310,422 ordinary shares and 310,422 options in Bailador Technology Investments Limited.



Heith Mackay-Cruise
Independent Non-Executive Director

Heith has held global leadership roles across the education and media sectors as the former CEO of Sterling Early Education, Study Group and ACP Media NZ. He has also held management roles in Australian Consolidated Press, Pepsi-Cola Bottlers Australia and Frito-Lay Australia. He is a non-executive director of Literacy Planet, HiPages and the national charity, Vision Australia Limited.

Heith has a Bachelor of Economics from the University of New England and is a Graduate of the Australian Institute of Company Directors.

Heith holds 388,029 ordinary shares and 388,029 options in Bailador Technology Investments Limited.



Sankar Narayan
Independent Non-Executive Director

Sankar is currently the Chief Financial Officer of Xero Limited, he has previously held several senior management roles including the CFO roles at Virgin Australia Holdings Limited, Fairfax Media and Foxtel.

Sankar has an MBA from the University of Chicago Booth School of Business and is an FCPA (Australia). He also holds a masters degree in electrical engineering from the State University of New York.

Sankar is the Chair of Bailador's Audit and Risk Committee.

Sankar holds 75,000 ordinary shares and 75,000 options in Bailador Technology Investments Limited.

Letter from the Founders

Dear fellow shareholder,

Bailador Technology Investments (Bailador) was listed on the Australian stock exchange in November 2014 to give retail and institutional investors the opportunity to invest in information technology companies at the expansion stage. Expansion stage companies in information technology have the following characteristics: several million dollars of revenue, an established customer base (usually international as well as domestic), proven technology and a proven management team. They are well past being 'start-up' businesses.

The companies of interest to Bailador have identified very large target markets they can sell into, have technology that is at least as good as anything else in the world, have highly profitable unit economics* and a demonstrated effective approach to acquiring new customers in their target markets. What these companies *don't* have is enough capital to invest in acquiring new customers rapidly and the experience of growing a company from revenue of something like \$5 million to revenue of \$50 million or more.

A brief history

Bailador (then called the Bailador Trust) was founded nearly five years ago in December 2010. We recognised an opportunity to invest in expansion stage information technology companies and established a private fund to do so. We made three successful investments and grew the value of the fund considerably. Most notably our \$5.6 million investment in *SiteMinder* attracted a \$33 million follow-on investment from the highly reputable Silicon Valley fund Technology Crossover Ventures (TCV) at a valuation 3.7 times higher than our investment only eighteen months earlier

Typically, fund managers presented with the opportunity to return virtually all of their investor's money early in the life of a fund will do so and use that excellent performance to raise a second larger fund. We thought about this, but decided it was not in our investor's interest to cash them out of an investment that we thought was likely to return a great deal more than we could realise back in December 2013. (We have been right on this).

Given the growth potential of the companies we invest in, we decided that the typical closed-end venture or buyout private equity fund structure was not the best approach for us. We needed a permanent capital structure. Furthermore we liked the idea of providing the opportunity for retail investors to invest in information technology at a stage (expansion, that is) otherwise unavailable to them. This stage is the traditional domain of Silicon Valley expansion capital funds and ultra-high net worth investors, often through family offices.

So in November last year we transferred our then current investments – *SiteMinder*, *Viocorp* and *SMI* – into a new company, Bailador Technology Investments, raised an additional \$25 million to continue our investment program and listed on the ASX.

Why Bailador is different from a typical LIC

Bailador is what is officially known as a Listed Investment Company (or LIC for short). That is, we are listed on the ASX and we invest in other companies. That is about where the similarity to other LICs ends. Virtually all of the LICs listed on the ASX are listed companies

that invest in other listed companies. Usually they have a theme (micro caps, small caps, emerging markets and international are some of the most common).

These LICs invest in ordinary shares in listed companies. Accordingly, the terms on which the managers of these LICs make investments are no different to the terms obtained by anyone else investing in listed companies. A typical equity investment in a listed company sits at the bottom of the capital structure after bank debt and occasionally a fancy hybrid or corporate bond. In a typical LIC the manager, speaking on behalf of all the investors in the fund, has no more rights than any other individual or institutional investor.

Bailador is very different from a typical LIC. Bailador invests in private companies not public companies. The only way to get access to these companies is through an investment in Bailador. The terms of Bailador's investment are bespoke. That is the terms on which we invest are tailored especially for Bailador and we negotiate the particular terms and rights attached to our investment very carefully. Almost all of the bespoke terms we negotiate are aimed at reducing the risk associated with equity investing while maximising our access to upside. For instance, we always have seniority in the capital structure. We achieve this through a convertible preference share or note. The companies we invest in do not have debt and as a consequence Bailador sits not at the bottom of the capital structure as investors in publicly listed companies do but at the very top. This means that in the event of a sale of the company in circumstances in which there is no benefit to Bailador in converting our preference shares into ordinary shares, we get our money out first.

"Almost all of the bespoke terms we negotiate are aimed at reducing the risk associated with equity investing while maximising our access to upside."

The difference between Bailador and typical LICs extends to valuation methodologies. All LICs publish a monthly Net Tangible Assets (NTA) per share statement to the ASX. Whereas the published NTA per share of typical LICs records the traded prices of their investments, Bailador's NTA per share is based on conservative valuations of the underlying private investments.

Since listing only one of BTI's portfolio investments has been revalued above cost plus accrued interest, reflecting the conservative nature of the valuations. Our specific aim is to sell our investments for higher values than we hold them in our books. It is in our and your interests that we do this in order to demonstrate that Bailador shares should trade at a premium to NTA per share not at a discount. All valuations are reviewed by an independent expert (this year, BDO) at 30 June, as well as reviewed by the Board of BTI.

One of the important benefits of investing in publicly listed equities is liquidity; investors can sell their shares when they want to and get their money back. There is certainly less liquidity investing in private companies, but Bailador cannot get 'stuck' in a company because another one of the terms we agree when we invest is the

* Unit economics is the analysis of the profitability of new and established customers. The analysis starts with the revenue the customer provides and subtracts the cost to acquire the customer and the cost to serve the customer to arrive at the profitability (before an allocation of fixed costs) of individual customers and the average for a large number of customers.

right to initiate the sale of the whole company after a period of time. Important other terms we commonly negotiate include pre-emptive rights if others sell, control of debt or new equity issuance, anti-dilution if new equity is raised, access to detailed information at all times and a board seat. We will not invest your money without agreement that either Paul or I will sit on the board.

Sitting on the board helps us manage risk but that is not the only reason we make a board seat a prerequisite of a Bailador investment. If the founders, management and other shareholders of a potential investment do not recognise the value our experience and expertise can bring as they set about growing a small fast-growing company into a big fast-growing company, then we are not right for each other. We are wary of founders who are convinced they know it all already and are not open to advice and learning.

Investing in information technology

Now for a quiz. The S&P 500 Index is an index of 500 stocks listed on the NYSE and the NASDAQ. It captures roughly 80% of available market capitalisation and is widely considered the best measure of American stock market performance. Here are four sectors of the S&P500: Information Technology, Financials, Energy and Telecom, and here are four percentages, each of which corresponds to one of the sector's share of the S&P500: 20%, 17%, 7% and 2%. Now try to match the sectors with the shares. If you guessed that the sectors and the shares are in the same order from largest to smallest you were right! Information Technology is the single largest sector on the S&P 500 and it is 10 times larger than Telecom and nearly three times larger than Energy.

The make up of the Australian stock market reflects the small size of the country, its mineral wealth and competition policy that has for a long time been supportive of the four large banks and the two large retailers. The sector shares of the ASX100 do not remotely reflect what is going on in the everyday world for consumers and businesses. Growth and developments in information technology are hugely more influential for all of us than anything that is going on in a mine or a big bank or a supermarket. We know this in our daily lives but this has not yet filtered into investment decisions in Australia and New Zealand.

An investment in the ASX100 Index is an investment 49% into financials, 15% into mining and 7% into consumer staples, mostly food retailing. These are the three largest sectors on the ASX100. An investment in the three largest sectors in the S&P500 Index on the other hand is an investment of 20% into information technology, 17% into financials and 15% into healthcare. Australian investors, at least index investors, do not have the exposure to the information technology sector that is normal in other parts of the world. The ASX100 index has a miniscule 0.6% weighting to information technology. So we Australian investors need to find smart ways to access information technology investment.

Investing in the information technology sector in Australia and New Zealand requires a different approach. Bailador has been created to provide retail and institutional investors with an opportunity to add a portfolio of high growth information technology companies to their investment mix.

Recent investments

Since listing we have been busy. We have made a follow-on investment in portfolio company *Viocorp* and investments in three new companies. Our portfolio now numbers six. Since November last year we have added *iPRO*, *Straker Translations* and *Stackla* to our original three companies. We expect to add one more company before the end of the 2015 calendar year.

The real stars of the show

The real stars of the show are the founders of the businesses we invest in. What Paul, Andrea (our Investment Director) and I do is important. We constantly research markets and get to understand new technologies. We assess potential investments very carefully, and negotiate the terms of new investments. Then we sit on boards and work with management to improve company performance and develop relationships with potential funding partners as we head towards potential exits. But the real stars of the show are the founders of the businesses we invest in and the management teams that add customers, open new markets, develop new products and grow their businesses – fast.

"The real stars of the show are the founders of the businesses we invest in."



Mike Ford and **Mike Rogers** at *SiteMinder* have grown and developed their business into the largest and most successful hotel room inventory management and distribution company in the world bar none. Mike Ford got the idea for the business after listening to a friend who owned a backpackers hostel complain about how time consuming and inefficient it was for him to deal with the increasing number of online travel agents he wanted to list his room availability on. Now with more than 16,000 hotel customers, cash in the bank, offices on four continents and a crack management team capable of continuing to take market share and expand rapidly in untapped markets *SiteMinder* is set to become one of the great Australian information technology success stories.



Ron McCulloch and **Ian Gardiner** founded *Viocorp* as a video mail business more than ten years ago. They were early. Really early. They quickly recognised government and enterprise video communications was a more prospective market and set about building a product for that market. Not long after, they landed a contract in Malaysia to provide a comprehensive catch-up television service for the largest television company. Not satisfied with two fronts they then entered into an agreement with SingTel to provide a video communications platform for their customers in Singapore. Being Scotsmen they have always been able to make a wee dollar go a long way, but even they would admit that at times biting off more than you can chew and chewing like hell is going to give you indigestion. We joined Ron and

Ian on the journey nearly five years ago now and it is fair to say it hasn't always been plain sailing. Malaysia provided important cashflow but selling to media companies is not the company's core business; SingTel is a great partner but corporate video communications in Asia is still nascent. And then it happened. If the product is the key – and it always is – the market opportunity is the lock. About a year ago we put the right key in the right lock and with a new CEO, **Greg Miner**, who had just the right experience, the key turned and we were through the door. It is now about scaling (what we know is) the world's best fully-cloud-based video communications solution for enterprise and government clients. 2015 delivered more than 50% growth in new licence sales and the momentum continues into 2016. The prospects have never been better for *Viocorp*.



Sue Fennessy and **Jane Schulze** recognised back in 2011 that the advertising spend information bandied about in the market was rubbish – inaccurate, incomplete and late. Sue and Jane decided to do something about it. They entered into agreements with media buying agencies (the companies that buy the time and space in media for advertising clients and hence know actual, not estimated, ad spend) and pooled all the data to provide the real numbers. Now every month *SMI* publishes actual advertising spend in great detail. *SMI* is now the dominant ad spend data source in Australia and New Zealand. Sue moved to New York to internationalise the business. A huge amount of progress has been made building the product and developing reference customers. The next step is working with other data providers to provide additional insights into advertising effectiveness for advertisers and revenue growth opportunities for media companies.



Founder **Mark Jackson-Knaggs'** company *iPRO* provides an online real-time platform linking hundreds of licensing and certifying bodies with clients and their contractors. Hospitals, universities, industrial contractors, miners and building contractors are just some of *iPRO's* clients. These businesses need to know that the vendors that come on to their sites have all the necessary licenses and insurances in place and that they comply with all the certification requirements for the site. *iPRO* has a strong tailwind from increasing regulation and the trend to out-sourcing. Add to that the opportunity *iPRO* provides for automation of manual checking processes and it is clear *iPRO* is in the right place at the right time with the leading product anywhere.



Grant and **Merryn Straker** are the founders of Auckland-based *Straker Translations*. Their company provides a hybrid machine translation and crowd-sourced human translation service on a purpose built workflow management platform. The global language translation industry has an unusual structure. There are a small number of large legacy providers and a huge number of very small businesses with less than 10 employees. Technology is

changing the industry rapidly. Machine translation is cheap and inexpensive but alone does not provide the required accuracy or quality. *Straker Translations'* solution is gaining market share quickly and is now looking towards API integrations with major global commerce and other services platforms to deliver even faster growth. Offices in Auckland, Sydney, Denver and Barcelona support global sales reach with 80% of sales now coming from outside Australia and New Zealand.



It won't surprise you to know that unbiased referrals from people who have tried a product is a more effective way of advertising than the company itself shouting about how good its products are. Word of mouth is still the most trusted source of knowledge about a product. In 2012, as social media was taking off, **Damien Mahoney** and **Peter Cassidy** recognised an opportunity to help companies harness all the positive and informative things that were being said about their products in social media. They built and launched *Stackla*, a technology platform to seek out, curate and serve User Generated Content (UGC) from all over the social media space into the relevant company's marketing systems and programs. Damien and Peter moved to San Francisco to continue the company's growth and just this month came back for long enough to conclude an investment with us. We think *Stackla* and Peter and Damien are a great fit for the Bailador portfolio and we are delighted to be working together.

This then is the current roll-call of founders who, recognising a problem that information technology could solve, had the foresight, energy and risk appetite to bet their savings and a good deal of their working life to try and see if they could solve it.

The founders are all different people of course but they have at least two important things in common. None of them is going to die wondering and they are not going to stop until they have got where they want to go.

Annual General Meeting

We would like to thank all shareholders for their continued support and personally invite you to join us at Bailador's first AGM to be held at 11:00am (AEST) on 10th November at the offices of Gilbert + Tobin at Level 37, 2 Park Street Sydney.

David Kirk
Chairman and Executive Director

Paul Wilson
Executive Director

Operating and Financial Review

Principal Activities

Bailador Technology Investments Limited (BTI) was established in August 2014 to invest in internet-related businesses in Australia and New Zealand that require growth capital. The target businesses typically have an enterprise valuation between \$10 million and \$200 million. In particular, the Company focuses on software, internet, mobile, data, online market-places and telecommunications-related businesses with proven revenue generation and management capability, demonstrated business models and expansion opportunities.

Shortly after BTI was established, it acquired the investment portfolio assets of Bailador Trust. There were then no significant changes in the nature of the Company's principal activities during the financial period.

Our Business Model and Objectives

Providing satisfactory returns to shareholders is our primary objective. Our success in achieving this objective is determined by total shareholder return (TSR) over time. The TSR we deliver will, over time, be directly related to the return on invested capital we achieve.

Our business model is to identify, buy and hold investments in a portfolio of private internet-related businesses with strong growth prospects. Returns to shareholders will be delivered by growth in the value of investments held and through distributions to shareholders following the sale of investments. Following sales, we will continue to make new investments to maintain a portfolio of investments.

Investments made by BTI are typically structured to provide a level of contractual protection superior to that available to investors in ordinary shares, thereby reducing risk. Thorough due diligence is carried out before investments are made and mandatory BTI representation on portfolio company boards ensures BTI's close involvement with operational decisions.

BTI continues to assess a strong pipeline of potential investments, and will continue to make investments as attractive, opportunities arise.

Operating Results

The profit of the Company amounted to \$4,023,000, after providing for income tax.

The net asset value of the company after all fees and excluding tax has increased at a rate of 17% pa since listing on the ASX on 12 November 2014. The level of cash held while constructing the portfolio has had a constraining impact on returns, which will abate as capital becomes fully deployed.

Review of Operations

New Investments

In December 2014, BTI made 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 57% of Viocorp on a fully converted fully diluted basis. The valuation reflects cost plus accrued interest, and 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 is being used to accelerate execution of opportunities for revenue growth for Viocorp, particularly in direct sales of software licences to large corporates and government, and sales through partnership both in Australia and internationally.

In March 2015, BTI made a \$5.5m investment in convertible preference shares in iPRO Solutions Pty Ltd (iPRO). The valuation of the investment by BTI in iPRO reflects costs plus accrued interest, and is consistent with the revenue multiple range of 4.0x to 8.0x historical revenue. The BTI investment will be used primarily to fund expansion opportunities for iPRO in Australia and the USA.

Valuation of Investments

The Directors have reviewed the investment portfolio and net tangible assets of BTI as at 30 June 2015. In conducting their valuation review, the Directors have had regard to a BTI investment portfolio Valuation Review Report prepared by BDO Corporate Finance (Qld) Ltd.

Information regarding the valuation of the investment portfolio is set out in Note 18 of the financial statements and in the section below "Operating Reports on Portfolio Companies".

Operating Reports on Portfolio Companies



SiteMinder

SiteMinder is the world leader in hotel channel management and distribution solutions for online accommodation bookings. Established in 2006, SiteMinder has developed a suite of products used by accommodation providers in over 100 countries to help increase online revenue, streamline business processes and drive down the cost of acquisition of bookings. SiteMinder facilitates transactions in the fast growing market of online accommodation booking.

SiteMinder is a software-as-a-service (SaaS) business, licencing its software platform on a monthly basis to over 16,000 customers worldwide, making it the largest hotel booking channel manager in the world. It operates a subscription business model with greater than 90% of revenue being recurring in nature.

SiteMinder has performed very well in the year to 30 June 2015, with revenue approximately 50% higher than prior year. Over the year SiteMinder further entrenched its position as the world-leading channel management system for hotels. In addition to continued growth in its core channel management product, SiteMinder experienced strong take up of its vertical product suite including its PMS for small hotels, Little Hotelier.

SiteMinder also completed a small acquisition of a hotel technology provider with an established customer base primarily in Thailand and Indonesia. The customer base is expected to be particularly receptive to SiteMinder's suite of products, and further extend SiteMinder's leading position in the Asian region.

Valuation 30 June 2015:	\$25.0m
Valuation at 31 December 2014:	\$25.0m
Basis for valuation:	Revenue multiples
Securities held:	Convertible preference shares
Ownership on a converted fully diluted basis:	12.9%



Standard Media Index

Standard Media Index (SMI) is a high value data aggregation, analysis and sales business. SMI has a subscription revenue model with over half of its revenue generated from international markets.

SMI has exclusive access to advertising expenditure data through partnerships with global media buying agencies. The data available to SMI is actual advertising spend dollars as opposed to estimates, providing the company with a material point of difference.

During the year, SMI grew revenue in the U.S. market through addition of a small number of material licence agreements, primarily with media companies. Sales in the Australian business remained solid, as expected. Revenue for the year to 30 June 2015 is approximately 14% higher than prior year. SMI has engaged in discussions with a number of prospective data sources to pair data to create new products which have the potential to deliver material revenue uplift.

SMI continues to hold contracts to exclusively source data in more than 30 countries, and the prospect of establishing a global data business with dominant characteristics remains attractive.

Valuation 30 June 2015:	\$5.5m
Valuation at 31 December 2014:	\$5.5m
Basis for valuation:	Cost
Securities held:	Ordinary shares
Ownership on a converted fully diluted basis:	7.7%

Operating Reports on Portfolio Companies, Continued



Viocorp

Viocorp is a cloud based end-to-end video solution for business and government. Viocorp’s platform enables subscribers to use video strategically in business communications such as marketing, e-commerce, internal communications and corporate relations through the web, IPTV and mobile services. Viocorp securely host videos, and enable users to embed video into websites, create and publish video portals or stream live webcasts.

During the year, Viocorp has continued its refocus on the fast growing corporate and government licencing market activities, while scaling back activity in the less attractive markets of professional services and bespoke development for large media clients. The result is a flat overall revenue result but very strong growth of 68% year on year in its core business of corporate licencing and webcasting, which now comprises 77% of annual revenue.

Corporate licencing and webcasting is high value repeating revenue. Average new licence value for FY15 is more than double prior year, reflecting a targeted approach to market to larger customers at higher price points, and monetise additional features and functionality.

Viocorp’s strategic position is more attractive than ever before, with the overwhelming majority of revenue now generated from recurring licence revenue from the core Viostream platform. The core target market of SaaS licence sales to corporates is growing extremely rapidly.

Valuation 30 June 2015:	\$18.5m
Valuation at 31 December 2014:	\$17.2m
Basis for valuation:	Cost plus accrued interest, with cross check of revenue multiples
Securities held:	Convertible preference shares and convertible notes
Ownership on a converted fully diluted basis:	57.0%



iPRO

iPRO is a specialist provider of cloud based vendor management software. It offers clients a live 24/7 web-based data verification portal of vendor, supplier and employee information. The business takes advantage of major industry structural trends of outsourcing and risk management, utilising technology to more efficiently meet the needs of clients.

iPRO has made significant progress since BTI’s investment in March 2015, in particular in strengthening the senior management team and improving execution capacity. Revenue to 30 June 2015 is approximately 70% higher than prior year.

Processes and practices of the business are being re-engineered to allow the business to cope with the rapid scaling in vendor numbers indicated by its contracted client base.

Material progress has also been made to prepare the business for the U.S. market, both from the perspective of the core iPRO SaaS platform readiness and that of prospective corporate clients.

Valuation 30 June 2015:	\$5.7m
Cost (at 12th March 2015)	\$5.5m
Basis for valuation:	Recent investment cost plus accrued interest
Securities held:	Convertible preference shares and ordinary shares
Ownership on a converted fully diluted basis:	45.3%

Events after the Reporting Period

In August 2015, the Company entered into a commitment to invest NZ\$4m (AUD\$3.6m) in Straker Translations Limited (Straker). Refer to the Company's Monthly Report July 2015 release at www.bailador.com.au for further details. Other than the aforementioned investment, no matter or circumstance has arisen since the end of the period that has significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent financial years.

Future Developments, Prospects and Business Strategies

Each of the BTI portfolio companies is well positioned for continued strong growth. In addition, the pipeline of potential new investment opportunities remains strong.

Likely developments, future prospects and the business strategies and operations of the portfolio companies and the economic entity, and the expected results of those operations have not been detailed in this report as the directors believe the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

Business Risks

The following exposures to business risk may affect the Company's ability to deliver expected returns:

Market Risk

Investment returns are influenced by market factors such as changes in economic conditions, the legislative and political environment, investor sentiment, natural disasters and acts of terrorism.

The investment portfolio is constructed so as to minimise market risks but those risks cannot be entirely eliminated and the investment portfolio may underperform against the broader market.

Liquidity Risk

There is a risk that the investment portfolio's underlying investments or the securities may not be easily converted to cash. Even where the Company does have a significant cash holding, that cash will not necessarily be available to Shareholders.

General Investee Company Risks

There are risks relating to growth stage internet-related businesses in which the Company invests including:

- The business model of a particular investee company may be rendered obsolete over time by competition or new technology;
- Some investee companies may not perform to the level expected by the Manager and could fail to implement proposed business expansion, reduce in size or be wound up;
- Some investee companies may fail to acquire new funding, whether by way of debt funding or third party equity funders;
- There is no guarantee of appropriate or timely exit opportunities for the Company, and accordingly the timeframe for the realisation of returns on investments may be longer than expected.

The Company uses a combination of strategies to minimise business risks, including structural and contractual protections, a clear investment strategy and Board representation on all investee companies.

Environmental Regulation

The operations of the Company are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Corporate Governance Statement

Bailador Technology Investments Limited's Corporate Governance Arrangements

The objective of the Board of Bailador Technology Investments Limited is to create and deliver long-term shareholder value through a range of diversified investments.

The Board considers there to be an unambiguous and positive relationship between the creation and delivery of long-term shareholder value and high quality corporate governance. Accordingly, in pursuing its objective, the Board has committed to corporate governance arrangements that strive to foster the values of integrity, respect, trust and openness among and between Board members, management and investee companies.

Bailador Technology Investments Limited and its subsidiaries operate as a single economic entity with a unified Board. As such, the Board's corporate governance arrangements apply to all entities within the Company.

Bailador Technology Investments Limited is listed on the Australian Securities Exchange (ASX). Accordingly, unless stated otherwise in this document, the Board's corporate governance arrangements comply with the recommendations of the ASX Corporate Governance Council (including the 2010 amendments) as well as current standards of best practice for the entire financial period ended 30 June 2015.

Board Composition

The Board comprises 5 directors, three of whom are non-executive and meet the Board's criteria to be considered independent. The names of the non-executive/independent directors are:

- Andrew Bullock (Appointed at incorporation)
- Sankar Narayan (Appointed at 9 September 2014)
- Heith Mackay-Cruise (Appointed at 16 September 2014)

An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. For a director to be considered independent, they must meet all of the following materiality thresholds:

- Not hold, either directly or indirectly through a related person or entity, more than 10% of the company's outstanding shares;
- Not benefit, either directly or through a related person or entity, from any sales to or purchases from the company or any of its related entities; and
- Derive no income, either directly or indirectly through a related person or entity, from a contract with the company or any of its related entities.

A list of the Board's directors for the period ended 30 June 2015, along with their biographical details, is provided in the directors' report.

The Board considers the current board composition reflects an appropriate balance between executive and non-executive directors that promotes both the generation of shareholder value and effective governance.

The Board also considers that the current board composition reflects an appropriate balance of skills, expertise and experience to achieve its objective of creating and delivering long-term shareholder value. The diverse range of investments the company is involved in necessitates the Board having a correspondingly diverse range of skills, experience and expertise. As BTI invests in internet-related businesses, directors are required to have a strong working knowledge of this sector. Nevertheless, directors need to have a strong understanding of a range of other areas, including finance and contract law. To this end, the Board considers its current composition to be appropriate and has in place an active program for assessing whether individual directors and the Board as a whole have the skills and knowledge necessary to discharge their responsibilities in accordance with the Board's governance arrangements. Details of the skills, expertise and experience of each director are provided in the directors' report.

Ethical Standards

The Board is committed to its core governance values of integrity, respect, trust and openness among and between Board members, management and portfolio companies. These values are enshrined in the Board's Code of Conduct policy which is available at www.bailador.com.au.

The Code of Conduct policy requires all directors to at all times:

- Act in good faith in the best interest of the Company and for a proper purpose;
- Comply with the law and uphold values of good corporate citizenship;
- Avoid any potential conflict of interest or duty;
- Exercise a reasonable degree of care and diligence;
- Not make improper use of information or position; and
- Comply with the company's Securities Trading Policy.

Directors are required to be independent in judgment and ensure all reasonable steps are taken to ensure the Board's core governance values are not compromised in any decisions the Board makes.

Share Ownership and Share Trading Policy

Details of directors' individual shareholdings in Bailador Technology Investments Limited are provided in the directors' report.

The Bailador Technology Investments Limited Securities Trading Policy is set by the Board. The policy restricts directors from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the company's share price. A detailed description of the Board's policy regarding directors trading in Bailador Technology Investments Limited shares is available from the board's Code of Conduct and Securities Trading Policy, both of which are available at www.bailador.com.au.

Directors are prohibited from trading for short term speculative gain.

Board Committees

To facilitate achieving its objectives, the Board has established two sub-committees comprising Board members – the Audit and Risk Committee and the Nomination and Remuneration Committee. Each of these committees has formal terms of reference that outline the committee's roles and responsibilities, and the authorities delegated to it by the Board. Copies of these terms of reference are available at www.bailador.com.au.

Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the Board by advising on the establishment and maintenance of a framework of internal controls and to assist the Board with policy on the quality and reliability of financial information prepared for use by the Board. Specifically, the Audit and Risk Committee oversees:

- The appointment, independence, performance and remuneration of the external auditor;
- The integrity of the audit process;
- The effectiveness of the internal controls; and
- Compliance with applicable regulatory requirements.

Information on the Board's procedures for the selection and appointment of the external auditor, and for the rotation of the external audit engagement partners, is available from the company's website www.bailador.com.au.

The Audit and Risk Committee comprises five directors (including the Chair of the Board), three of whom are non-executive/independent directors. Consistent with ASX's Corporate Governance Principles and Recommendations, the Chair of the Audit and Risk Committee is independent and does not hold the position of Chair of the Board.

The names and qualifications of the Audit and Risk Committee members and their attendance at meetings of the Committee are included in the directors' report.

Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee is to assist the Board by making recommendations to it about the appointment of new directors of the company and advising on remuneration and issues relevant to remuneration policies and practices including for non-executive directors. Specifically, the Nomination and Remuneration Committee oversees:

- Developing suitable criteria for Board candidates;
- Identifying, vetting and recommending suitable candidates for the Board;
- Overseeing Board and director performance reviews;
- Developing remuneration policies for directors; and
- Reviewing remuneration packages annually.

The Nomination and Remuneration Committee comprises five directors (including the Chair of the Board), three of whom are non-executive/independent directors. Consistent with ASX's Corporate Governance Principles and Recommendations, the Chair of the audit committee is independent and does not hold the position of Chair of the Board.

The names and qualifications of the Nomination and Remuneration Committee members and their attendance at meetings of the committee are included in the directors' report.

There are no schemes for retirement benefits for directors.

Performance Evaluation

The Board assesses its performance, the performance of individual directors and the performance of its committees annually through internal peer review. The Board also formally reviews its governance arrangements on a similar basis annually. Being its first year in operation, no reviews have been taken to date.

Further remuneration policy for non-executive/independent directors is provided at www.bailador.com.au.

Board Roles and Responsibilities

The Board is accountable to the shareholders for creating and delivering shareholder value through governance of the Company's business activities. The discharge of these responsibilities is facilitated by the Board delivering to shareholders timely and balanced disclosures about the Company's performance.

As a part of its corporate governance arrangements, the Board has established a strategy for engaging and communicating with shareholders that includes:

- Monthly updates to the ASX and the Company website with the Company's net asset backing;
- Presentations to investors and media briefings, which are also placed on the Company website; and
- Actively encouraging shareholders to attend and participate in the Company's Annual General Meeting.

A detailed description of the Board's communication policy is provided at www.bailador.com.au.

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board has delegated to the Manager, Bailador Investment Management, all authorities appropriate and necessary to achieve the Board's objective to create and deliver long-term shareholder value. A complete description of the functions reserved for the Board and those it has delegated to the Manager along with guidance on the relationship between the Board and the Manager is available from the Board Charter available at www.bailador.com.au. Notwithstanding, the Manager remains accountable to the Board and the Board regularly monitors the decisions and actions of the Manager.

The Board Charter requires all directors to act with integrity and objectivity in taking an effective leadership role in relation to the Company.

The Chair is responsible for ensuring individual directors, the Board as a whole and the Manager comply with both the letter and spirit of the Board's governance arrangements. The Chair discharges their responsibilities in a number of ways, primarily through:

- Setting agendas in collaboration with other directors and the Manager;
- Encouraging critical evaluation and debate among directors;
- Managing board meetings to ensure all critical matters are given sufficient attention; and
- Communicating with stakeholders as and when required.

The Board Charter provides independent directors the right to seek independent professional advice on any matter connected with the discharge of their responsibilities at the Company's expense. Written approval must be obtained from the Chair prior to incurring any such expense on behalf of the Company.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual financial statements. The Board actively encourages shareholders to attend and participate in the Annual General Meetings of Bailador Technology Investments Limited, to lodge questions to be responded to by the Board and/or the Manager, and to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to creating and delivering long-term shareholder value.

The main risks that could negatively impact on the performance of the Company's investments include:

- General market risk, particularly in worldwide tech sector stocks;
- General interruption to the Australian venture capital sector;
- The ability of the Manager to continue to manage the portfolio, particularly retention of the Manager's key management personnel;
- Minority holdings risk where other larger investors in our portfolio companies may make decisions the Company disagrees with; and
- Other operational disruptions within portfolio companies due to changes in competition or technology, key management personnel, cash-flow and other general operational matters.

A comprehensive risk analysis was provided in the prospectus dated 3 October 2014. There have been no changes to the risk profile of the Company since that time.

The Manager has been delegated the task of implementing internal controls to identify and manage risks for which the Audit and Risk Committee and the Board provide oversight. The effectiveness of these controls is monitored and reviewed regularly.

A summary of the Board's risk management policy is available at www.bailador.com.au.

Other Information

Further information relating to the Company's corporate governance practices and policies has been made publicly available on the company website www.bailador.com.au.

Directors' Report

Your directors submit the financial report of the Company for the period from 4 August 2014 (date of incorporation) to 30 June 2015. The information in the preceding operating and financial review forms part of this directors' report for the period ended 30 June 2015 and is to be read in conjunction with this report:

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)

Dividends

There have been no dividends paid or declared during the period.

Indemnifying Officers or Auditor

During the period, Bailador Technology Investments Limited paid a premium to insure officers of the Company. The officers of the Company covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Company against a liability incurred as such by an officer or auditor.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

Non-audit Services

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied the services disclosed below did not compromise the external auditor's independence as the nature of the services provided does not compromise the general principles relating to audit independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board. All non-audit services have been reviewed and approved to ensure they do not impact the integrity and objectivity of the auditor.

The following fees were paid or payable to Hall Chadwick for non-audit services provided during the period from incorporation to 30 June 2015:

	\$
Due diligence investigations	\$55,123
Taxation services	\$55,000
	\$110,123

Auditor's Independence Declaration

The auditor's independence declaration for the period ended 30 June 2015 has been received and can be found on page 19.

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.

Options

At the date of this report, the unissued ordinary shares of Bailador Technology Investments Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
17 November 2014	31 March 2016	\$1.00	62,462,892

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

No shares of Bailador Technology Investments Limited were issued during the period on the exercise of options granted.

No shares or options are issued to directors of Bailador Technology Investments Limited as remuneration.

Information Relating to Directors and Company Secretary

Information on Directors is located on pages 4 and 5 of this report.

Meetings of Directors

During the period, 5 meetings of directors and 1 committee meeting were held. Attendances by each director during the period were as follows:

	Directors' Meetings		Audit & Risk Committee Meetings		Nomination and Remuneration Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
David Kirk	5	5	1	1	-	-
Paul Wilson	5	5	1	1	-	-
Andrew Bullock	5	4	1	1	-	-
Sankar Narayan	4	3	1	1	-	-
Heith Mackay-Cruise	3	3	1	1	-	-

Remuneration Report (Audited)

Remuneration Policy

Bailador Technology Investments Limited does not employ any personnel. The Board has delegated management of the investment portfolio to the Manager, Bailador Investment Management Pty Ltd.

David Kirk and Paul Wilson are directors of Bailador Technology Investments Limited and are also directors and owners of Bailador Investment Management Pty Ltd.

The Manager is responsible for managing the Investment Portfolio in accordance with the Company's investment strategy. The Manager has been appointed for an initial term of 10 years and will automatically extend after that term until it is terminated in accordance with the agreement's terms.

The Board has recognised the Manager as Key Management Personnel (KMP) given it has the authority and responsibility for planning, directing and controlling the activities of the Company. At least one of David Kirk or Paul Wilson are required to continue to be directors of the Manager and must continue to be actively involved in the management of the investment portfolio during the initial term of the agreement.

The Board have also agreed that the independent Directors, Andrew Bullock, Sankar Narayan and Heith Mackay-Cruise, are to receive \$60,000 per annum. The other Directors who are not independent will not receive any remuneration.

Bailador Technology Investments Limited pays a management fee of 1.75% per annum (plus GST) of the portfolio NAV. Fees are calculated and paid at the beginning of each quarter in advance. The management fee for a quarter is then adjusted and paid at the end of the quarter based on increases or decreases to the NAV.

In addition, the Manager is entitled to receive a performance fee equal to 17.5% per annum (plus GST) of the investment portfolio's gain each year subject to outperforming a hurdle of 8.0% per annum (compounded). This hurdle was reached in the period to 30 June 2015 and as such, the performance fee has been accrued for payment, but not paid in cash to the Manager. The performance fee only becomes payable upon the Company receiving cash realisations from portfolio investments, and is subject to outperformance of the hurdle at that time.

Amounts paid or payable to the Manager relating to the period ended 30 June 2015 are as follows:

Base management fee	\$751,762
Performance fee	\$733,545
Reimbursement of portfolio management expenses	\$40,306

Key Management Personnel (KMP) Remuneration

Remuneration paid or payable to each KMP of the Company during the financial period is as follows:

	Position	Directors' Fees
David Kirk	Chairman and Executive Director	–
Paul Wilson	Executive Director	–
Andrew Bullock	Non-executive Director	54,493
Sankar Narayan	Non-executive Director	48,575
Heith Mackay-Cruise	Non-executive Director	47,425
		150,493

KMP Shareholdings

The number of ordinary shares in Bailador Technology Investments Limited held by each KMP of the Company during the financial period is as follows:

	Balance at 4 Aug 2014	Net number of shares issued at IPO	Net number of shares acquired	Net number of shares disposed	Balance at end of period
David Kirk	–	4,174,139	–	–	4,174,139
Paul Wilson	–	1,463,897	–	–	1,463,897
Andrew Bullock	–	310,422	–	–	310,422
Sankar Narayan	–	75,000	–	–	75,000
Heith Mackay-Cruise	–	388,029	–	–	388,029
	–	6,411,487	–	–	6,411,487

KMP Option Holdings

The number of options issues and held by each KMP of the Company during the financial period is as follows:

	Balance at 4 Aug 2014	Net number of options issued at IPO	Net number of options acquired	Net number of options disposed	Balance at end of period
David Kirk	–	4,174,139	–	–	4,174,139
Paul Wilson	–	1,463,897	–	–	1,463,897
Andrew Bullock	–	310,422	–	–	310,422
Sankar Narayan	–	75,000	–	–	75,000
Heith Mackay-Cruise	–	388,029	–	–	388,029
	–	6,411,487	–	–	6,411,487

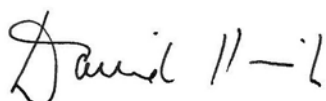
Other Transactions with KMP and their Related Parties

David Kirk and Paul Wilson receive directors' fees in relation to directorships of portfolio companies. For the period 1 July 2014 to 30 June 2015, David Kirk earned \$50,000 from SiteMinder and \$30,000 from Viocorp. Paul Wilson earned \$50,000 from SiteMinder, \$30,000 from Viocorp and \$12,042 from iPRO.

Bailador Technology Investments Limited paid \$172,259 during the period to Gilbert + Tobin, of which Andrew Bullock is a partner.

There were no other transactions conducted between the Company and related parties, other than those disclosed above with the Manager, relating to equity, compensation and loans, that were conducted other than in accordance with normal supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

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



David Kirk

Director



Paul Wilson

Director

Dated this 19th day of August 2015

Auditor's Independence Declaration

HALL CHADWICK  (NSW)

Chartered Accountants and Business Advisers

BAILADOR TECHNOLOGY INVESTMENTS LIMITED
ABN 38 601 048 275

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

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2015 there have been no contraventions of:

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

SYDNEY

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HALL CHADWICK
Level 40, 2 Park Street
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Drew Townsend
Partner
Dated: 19 August 2015

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Statement of Profit or Loss and Other Comprehensive Income

for the Period Ended 30 June 2015

	Note	Period from 4 August 2014 to 30 June 2015 \$000
Revenue	2	8,420
Interest income		323
Accounting fees		(51)
ASX fees		(50)
Audit fees	6	(47)
Custody fees		(15)
Directors' fees		(150)
Due diligence costs		(222)
Independent valuations		(56)
Initial public offer costs		(784)
Legal fees		(78)
Manager's fees	5	(752)
Manager's performance fees	5	(734)
Registry administration		(11)
Other expenses		(53)
Profit before income tax	2	5,740
Income tax expense	3	(1,717)
Profit for the period		4,023
Other comprehensive income		-
Total comprehensive income for the period		4,023
Earnings per share		
- basic earnings per share (cents)	7	6.44
- diluted earnings per share (cents)	7	6.44

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2015

	Note	As at 30 June 2015 \$'000
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8	13,759
Trade and other receivables	9	46
TOTAL CURRENT ASSETS		13,805
NON-CURRENT ASSETS		
Financial assets	4	54,722
Deferred tax assets	11	605
TOTAL NON-CURRENT ASSETS		55,327
TOTAL ASSETS		69,133
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	10	926
Current tax liabilities	11	341
TOTAL CURRENT LIABILITIES		1,267
NON-CURRENT LIABILITIES		
Deferred tax liabilities	11	4,715
TOTAL NON-CURRENT LIABILITIES		4,715
TOTAL LIABILITIES		5,982
NET ASSETS		63,150
EQUITY		
Issued capital	12	55,379
Share option reserve	12	3,748
Retained earnings		4,023
TOTAL EQUITY		63,150

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the Period Ended 30 June 2015

	Note	Ordinary Share Capital \$000	Share Option Reserve \$000	Retained Earnings \$000	Total \$000
Balance at 4 August 2014		–	–	–	–
Comprehensive income					
Profit for the period		–	–	4,023	4,023
Total comprehensive income for the period		–	–	4,023	4,023
Transactions with owners, in their capacity as owners, and other transfers					
Shares and options issued during the period	12	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 30 June 2015		55,379	3,748	4,023	63,150

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the Period Ended 30 June 2015

	Note	Period from 4 August 2014 to 30 June 2015 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		(2,054)
Interest received		307
Net cash used in operating activities	14	(1,747)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit and loss		(8,893)
Net cash used in investing activities		(8,893)
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		13,759
Cash and cash equivalents at beginning of period		–
Cash and cash equivalents at end of period		13,759

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the Period Ended 30 June 2015

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with requirements of the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. 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 period.

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

Accounting Policies

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Investments

The Company has been classified under AASB 2013-5 as an Investment Entity whose business purpose is to invest funds solely for returns via capital appreciation and/or investment returns. As the Company has been classified as an Investment Entity, the portfolio investments have been accounted for at fair value through the profit or loss and shown as Financial Assets in the Statement of Financial Position.

Investments held at fair value through profit or loss are initially recognised at fair value. Transaction costs related to acquisitions are expensed to profit and loss immediately. Subsequent to initial recognition, all financial instruments held at fair value will be accounted for at fair value, with changes to such values recognised in the profit or loss.

Investments are subject to independent third party valuations on an annual basis.

Investments are recognised on a trade date basis.

The entity is exempt from consolidating underlying investees it controls in accordance with AASB 10 Consolidated Financial Statements.

b. Fair Value

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

c. Taxation

The income tax expense for the period comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

No deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority

on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a company of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses

are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial liabilities

Financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

Impairment losses are recognised in the profit or loss immediately.

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, to the asset’s carrying amount. Any excess of the carrying amount over its recoverable amount is recognised immediately in the profit or loss.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short term highly liquid investments with original maturities of 3 months or less.

f. Trade and Other Receivables

Trade and other receivables include amounts due from government authorities and prepayments for services performed in the ordinary course of business. Receivables expected to be collected (or utilised) within 12 months of the end of the reporting period are classified as current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

g. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

h. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

i. Interest Income

Interest revenue is recognised using the effective interest method.

j. Accounting Period

The financial report reflects the period from 4 August 2014, being the date of incorporation, to 30 June 2015. Accordingly, there are no comparatives.

k. Rounding of Amounts

The entity has applied the relief available to it under ASCI Class Order 98/100. Accordingly, amounts in the financial statements and directors' report have been rounded to the nearest \$1,000.

l. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Detailed information about each of these estimates and judgements is included in Note 18 in the financial statements.

m. New Accounting Standards for Application in Future Periods

Accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with the an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018)

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting:

The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets.

This Standard is not expected to significantly impact the Company's financial statements.

Note 2: Revenue and Profit For The Period

**Period from 4 August 2014
to 30 June 2015
\$000**

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

Fair value gains on financial assets at fair value through profit or loss	8,420
---	-------

During the period, investments in three of the four 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: Tax Expense

**Period from 4 August 2014
to 30 June 2015
\$000**

a. The components of tax expense comprise:	
Current tax	3,148
Deferred tax	(1,431)
	1,717
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax payable as follows:	
Profit for the period before income tax expense	5,740
Prima facie tax payable on profit from ordinary activities before income tax at 30%	1,722
Tax effect of:	
– Other deductions	(5)
Income tax attributable to entity	1,717
The weighted average effective tax rate is as follows:	30%
c. Tax effects of items credited to equity:	
Amounts credited to equity in relation to the income tax effect of amounts recognised in equity:	
Share Capital	2,680
	2,680

Note 4: Financial Assets

**As at 30 June 2015
\$000**

SiteMinder	25,000
SMI	5,500
Viocorp	18,474
iPRO	5,748
	54,722

Note 5: Management Fees

The Company has outsourced its investment management function to Bailador Investment Management Pty Ltd. Bailador Investment Management Pty Ltd is a privately owned investment management company and is a related party of Bailador Technology Investments Limited.

a. Management fees

The Manager is entitled to be paid a management fee equal to 1.75% of the portfolio Net Asset Value (NAV) plus GST per annum. The management fee is calculated and paid quarterly in advance. Each quarter the average of the opening and closing NAV for the quarter is calculated and an adjustment to the pre-paid fee is made depending on whether NAV has increased or decreased during the quarter.

During the period, the Company incurred \$751,762 of management fees payable to the Manager.

b. Reimbursement of portfolio management expenses

Under the management agreement, the Manager is also entitled to be reimbursed for certain out of pocket expenses incurred in the acquisition and disposal of portfolio assets and in the management of portfolio assets.

During the period, the Company reimbursed the Manager \$40,306 for travel and other expenses incurred in the management of the investment portfolio.

c. Performance fees

At the end of each financial year, the Manager is entitled to receive a performance fee from the Company, the terms of which are outlined below:

The performance fee will be calculated as 17.5% of the NAV gain per annum plus GST, being the amount by which the portfolio NAV at the end of a financial year exceeds or is less than the portfolio NAV at the start of the financial year and where that gain exceeds a compound hurdle rate of 8%.

The performance fee will be accrued on an annual basis in arrears and will only be paid at times when proceeds received from realisation of investments is available to the Company and will be paid in respect of the whole amount of the gain (not just the amount over the 8% hurdle), subject to the following caveats:

- If the performance fee for a financial year is a positive amount but the investment return for the financial year does not exceed the hurdle return for the financial year, no performance fee shall be payable to the manager in respect of that financial year, and

the positive amount of the performance fee shall be carried forward to the following financial year;

- If the performance fee for a financial year is a negative amount, no performance fee shall be payable to the manager in respect of that financial year, and the negative amount shall be carried forward to the following year; and
- Any negative performance fee amounts from previous financial years that are not recouped in a financial year shall be carried forward to the following financial year.

The performance fee can be fully or partially paid by the issue of shares in Bailador Technology Investments Limited or in cash at the Manager's election, the details of which are outlined below:

If the Manager elects at least 5 business days prior to the performance fee payment date that all or part of the performance fee is to be applied to the issue of shares in the company, the company must, if permitted by applicable laws (including the Listing Rules and the Corporations Act) without receiving any approvals from the shareholders of the Company, apply the cash payable in respect of the relevant amount to the issue of shares to the Manager or its nominee on the performance fee payment date where:

N = PF/Issue Price

Where

N is the number of shares issued

PF is the cash value of the performance fee to be paid in shares

Issue Price is the lesser of:

- The volume weighted average price of shares traded on the ASX during the period of 340 calendar days up to but excluding the performance fee payment date; and
- The last price on the last day on which the shares were traded on the ASX prior to the performance fee payment date.

During the period, the Company accrued \$733,545 of performance fees paid or payable to the Manager. No performance fee was paid in cash or shares during the period.

Note 6: Auditor's Remuneration

	Period from 4 August 2014 to 30 June 2015 \$000
Remuneration of the auditor for:	
Auditing or reviewing the financial statements	47
Taxation services	55
Due diligence investigations	55
	157

Note 7: Earnings per Share

	Period from 4 August 2014 to 30 June 2015 \$000
Profit after income tax	4,023

	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	62,462,893

	Cents
Basic earnings per share	6.44
Diluted earnings per share	6.44

In the calculation of diluted earnings per share, options are not considered to have a dilutive effect, as the average market price of ordinary shares of the Company during the period did not exceed the exercise price of the options.

Note 8: Cash and Cash Equivalents

	As at 30 June 2015 \$000
Cash at bank	13,759
	13,759

Note 9: Trade and Other Receivables

	As at 30 June 2015 \$000
CURRENT	
Trade debtors	7
GST receivable	23
Interest receivable	16
	46

All of the Company's trade and other receivables have been reviewed for indicators of impairment. The Company has determined that no impairment is required.

Note 10: Trade and Other Payables

	As at 30 June 2015 \$000
CURRENT	
Trade creditors	113
Manager's performance fees accrued	734
Other payables	79
	926

Note 11: Income Tax

	As at 30 June 2015 \$000
CURRENT	
Income tax payable	340
	340

	Balance at 4 Aug 2014 \$000	Charged to profit or loss \$000	Charged directly to equity \$000	Balance at end of period \$000
NON-CURRENT				
Deferred tax liability				
Tax on unrealised gains	–	1,855	–	1,855
Tax on acquisition assets on opening	–	–	2,860	2,860
	–	1,855	2,860	4,715

Note 11: Income Tax, continued

	Balance at 4 Aug 2014 \$000	Charged to profit or loss \$000	Charged directly to equity \$000	Balance at end of period \$000
Deferred tax asset				
Provisions	–	244	–	244
Transaction costs on acquisitions	–	28	–	28
Transaction costs on equity issue	–	152	180	332
	–	424	180	605

The benefits of the above temporary differences and unused tax losses will only be realised if the conditions for deductibility set out in Note 1(c) occur. These amounts have no expiry date.

Note 12: 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 under Prospectus	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 30 June 2015	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
Closing balance at 30 June 2015	62,462,892	3,747,774

The share option reserve records items recognised as expenses on valuation of share options issued. The options vest immediately; expire on 31 March 2016; have an exercise price of \$1 and have a fair value at grant date of \$3,747,774 based on the trade price at grant date of \$0.06.

Capital Management

The Company's objectives for managing capital are as follows:

- to invest the capital in investments meeting the description, risk exposure and expected return as outlined in the Prospectus lodged with the ASX on 20 November 2014;
- to maximise the returns to shareholders while safe-guarding capital by investing in a portfolio in line with investment strategies outlined in the Prospectus lodged with the ASX on 20 November 2014; and
- to maintain sufficient liquidity to meet the ongoing expenses of the Company.

Note 13: Operating Segments

The Company has one operating segment: Internet Related Businesses in Australia. 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 14: Cash Flow Information

	Period from 4 August 2014 to 30 June 2015 \$000
Reconciliation of Cash Flow from Operation with Profit after Income Tax	
Profit after income tax	4,023
Non-cash flows in profit:	
Unrealised fair value gains on financial assets at fair value through profit or loss	(8,420)
Increase in trade and other receivables	(47)
Increase in trade and other payables	926
Increase in current tax liabilities	341
Increase in deferred tax	1,430
Cash flow from operating activities	(1,747)

Note 15: Contingent Liabilities

The Company does not have any contingent liabilities.

Note 16: Events After the End of the Period

In August 2015, the Company entered into a commitment to invest NZ\$4m (AUD\$3.6m) in Straker Translations Limited (Straker). Refer to the Company's Monthly Report July 2015 release at www.bailador.com.au for further details. Other than the aforementioned investment, no matter or circumstance has arisen since the end of the period that has significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent financial years.

Note 17: Financial Risk Management

The Company's financial instruments consist mainly of cash (cash at bank) and financial assets designated at fair value through profit or loss, accounts receivable and payable.

The total for each category of financial instrument, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements are as follows:

	Note	2015 \$000
Financial assets		
Cash and cash equivalents	8	13,759
Financial assets at fair value through profit or loss	4	54,722
Trade and other receivables	9	46
Total financial assets		68,528
Financial liabilities		
Financial liabilities at amortised cost	10	926
Total financial liabilities		926

Financial Risk Management Policies

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (price risk), credit risk, and liquidity risk. The Company's risk management investment policies, approved by the directors of the responsible entity, aim to assist the Company in meeting its financial targets while minimising the potential adverse effects of these risks on the Company's financial performance.

Specific Financial Risk Exposures and Management

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is currently exposed to the following risks as it presently holds financial instruments measured at fair value and short-term deposits:

i. Price Risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified in the statement of financial position as financial assets at fair value through profit or loss.

The Company seeks to manage and constrain market risk by diversification of the investment portfolio across multiple investments and through use of structural and contractual protections in its investments such as investing in preference shares or convertible notes, requiring minority protections in investment documentation and maintaining active directorships in all investment companies.

The portfolio is monitored and analysed by the Manager.

The Company's net equity exposure is set out in Note 4 of the financial statements.

Sensitivity analysis

The following table illustrates sensitivities to the Company's exposures to changes in equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management consider to be reasonably possible.

Period ended 30 June 2015	Profit \$000	Equity \$000
+/- 5% in equity investments	1,915	1,915

2. Credit Risk

Exposure to credit risk relating to financial assets arise from the potential non-performance by counterparties that could lead to a financial loss to the Company. The Company's objective in managing credit risk is to minimise the credit losses incurred mainly on trade and other receivables.

Credit risk is managed by the Company through maintaining procedures that ensure, to the extent possible, that counterparties to transactions are of sound credit worthiness. As the Company generally does not have trade receivables, receivables are usually in the order of prepayments for particular services. The Company ensures prepayments are only made where the counterparty is reputable and can be relied on to fulfill the service.

The Company's maximum credit risk exposure at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statement of financial position. None of these assets are past due or considered to be impaired.

The cash and cash equivalents are all held with one of Australia's reputable financial institutions.

3. Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. As the Company's major cash outflows are the purchase of investments, the level of this is managed by the Manager. The Company also manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to operating, investing and financing activities;
- managing credit risk related to financial assets;
- maintaining a clear exit strategy on financial assets; and
- investing surplus cash only with major financial institutions.

Note 18: Fair Value Measurement

a. Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measure can be categorised into, as follows:

- Level 1 Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in level 2. If one or more significant inputs are no based on observable market data, the asset or liability is included in Level 3.

b. 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 its financial assets.

The "fair value" of financial assets 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.

c. Financial Instruments

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

	30 June 2015	
	Carrying Amount \$000	Fair Value \$000
Financial assets:		
Cash and cash equivalents	13,759	13,759
Trade and other receivables	46	46
Financial assets	54,722	54,722
	68,527	68,527
Financial liabilities:		
Trade and other payables	926	926
	926	926

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

Description	Note	Fair Value Measurements at 30 June 2015 Using:		
		Quoted Prices in Active Markets for Identical Assets \$000 (Level 1)	Significant Observable Inputs Other than Level 1 Inputs \$000 (Level 2)	Significant Unobservable Inputs \$000 (Level 3)
Recurring fair value measurements				
Financial assets at fair value through profit or loss		–	–	54,722
		–	–	54,722

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

	Fair Value at 30 June 2015 \$000	Valuation Techniques	Significant Unobservable Inputs	Range of Unobservable Inputs
SiteMinder	25,000	Revenue multiple	Revenue multiple	4.0x – 8.0x
Viocorp	18,474	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
iPRO	5,748	Cost plus accrued interest Revenue multiple	Interest on convertible preference shares Revenue multiple	4.0x – 8.0x

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

f. 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.

g. Reconciliation of Recurring Fair Value Measurement Amounts (Level 3)

	Financial Assets \$000
Opening balance	–
Additions/purchases made during the period	46,302
Gains and losses recognised in profit or loss	8,420
Closing balance	54,722

Note 19: Related Party Transactions

Remuneration paid or payable to key management personnel (KMP) of the Company during the period are \$1,635,800 plus reimbursement of expenses of \$40,306. Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's KMP for the period ended 30 June 2015.

Note 20: Company Details

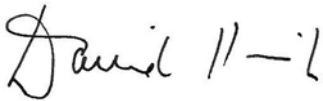
The principal place of business and registered office of the company is:

Suite 908, Level 9
37 Bligh Street
Sydney NSW 2000

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 18-36, are in accordance with the *Corporations Act 2001*, and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2015 and of the 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.
3. The directors have been given the declarations required by s295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.



David Kirk
Director



Paul Wilson
Director

Dated this 19th day of August 2015

BAILADOR TECHNOLOGY INVESTMENTS LIMITED
ABN 38 601 048 275

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

Report on the Financial Report

We have audited the accompanying financial report of Bailador Technology Investments Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the entity comprising the company at the year's end or from time to time during the financial period.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

SYDNEY

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HALL CHADWICK  (NSW)

BAILADOR TECHNOLOGY INVESTMENTS LIMITED
ABN 38 601 048 275

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

Auditor's Opinion

In our opinion:

- a. the financial report of Bailador Technology Investments Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the entity's financial position as at 30 June 2015 and of its performance for the period ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 14 to 16 of the directors' report for the period ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Bailador Technology Investments Limited for the period ended 30 June 2015 complies with s 300A of the Corporations Act 2001.



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



Drew Townsend
Partner
Dated: 19 August 2015

Shareholder Information

Additional Information

The additional information required by the Australian Stock Exchange Limited Listing Rules is set out below.

20 Largest Shareholders

Details of the 20 largest ordinary shareholders and their respective holdings as at 30th June 2015.

Holder Name	Ordinary Shares Held	% of Issued Shares
Kirk Family Holdings Pty Ltd	4,174,139	6.68%
Forsyth Barr Custodians Ltd	2,201,152	3.52%
Mr Eion Sinclair Edgar	2,152,910	3.45%
Patagorang Pty Ltd	2,098,810	3.36%
Corom Pty Ltd	2,000,000	3.20%
3D Management Ltd	1,571,588	2.52%
Mr Ralph James Norris	1,571,109	2.52%
Macareus Pty Ltd	1,552,114	2.48%
Mr Scobie Dickinson Ward	1,497,540	2.40%
Paul Wilson	1,463,897	2.34%
Pepstock II Pty Ltd	1,435,274	2.30%
Bond Street Custodians Limited	1,410,714	2.26%
Ladybird Limited	1,253,088	2.01%
Yolo Limited	1,253,088	2.01%
Mr Jonathan George Edgar	911,487	1.46%
HSBC Custody Nominees (Australia) Limited	777,720	1.25%
Mr Sam Morgan	776,057	1.24%
MZ Associates LLC	776,057	1.24%
Dufus Pty Ltd	717,637	1.15%
Prual Pty Ptd	642,594	1.03%
Total	30,236,975	48.41%

20 Largest Option holders

Details of the 20 largest option holders and their respective holdings as at 30th June 2015.

Holder Name	Options Held	% of Options
Kirk Family Holdings Pty Ltd	4,174,139	6.68%
Forsyth Barr Custodians Ltd	2,568,412	4.01%
Mr Eion Sinclair Edgar	2,152,910	3.45%
Patagorang Pty Ltd	2,098,810	3.36%
Corom Pty Ltd	2,000,000	3.20%
3D Management Ltd	1,571,588	2.52%
Mr Ralph James Norris	1,571,109	2.52%
Macareus Pty Ltd	1,552,114	2.48%
Mr Scobie Dickinson Ward	1,497,540	2.40%
Paul Wilson	1,463,897	2.34%
Pepstock II Pty Ltd	1,435,274	2.30%
Bond Street Custodians Limited	1,410,714	2.26%
Ladybird Limited	1,253,088	2.01%
Yolo Limited	1,253,088	2.01%
Mr Jonathan George Edgar	911,487	1.46%
Mr Sam Morgan	776,057	1.24%
MZ Associates LLC	776,057	1.24%
Mr Simon Collinton Moore	776,057	1.24%
HSBC Custody Nominees (Australia) Limited	726,225	1.16%
Dufus Pty Ltd	717,617	1.15%
Total	30,686,183	51.14%

Substantial Shareholders

The names of the substantial shareholders in the Company's register are:

	Ordinary Shares	Shares held under escrow until 20 Nov 2016	Options exercisable until 31 Mar 2016	Options exercisable until 31 Mar 2016 under escrow until 20 Nov 2016
Kirk Family Holdings Pty Ltd	1,486,429	2,687,710	1,486,429	2,687,710

Distribution of Shares

Analysis of numbers of equity security holders, by size of holding as at 30 June 2015.

Holding	Numbers of Shareholders	Ordinary Shares Held	% of Issued Shares
1 – 1,000	8	3,445	0.01%
1,001 – 5,000	103	374,654	0.60%
5,001 – 10,000	123	1,127,445	1.80%
10,001 – 100,000	360	14,222,944	22.77%
100,001 and over	86	46,734,405	74.82%
	680	62,462,893	100%

The number of holders possessing less than a marketable parcel of the Company's ordinary shares, based on the closing market price as at 30 June 2015 is 3.

Distribution of Options

Analysis of numbers of equity option holders, by size of holding as at 30 June 2015.

Holding	Numbers of Optionholders	Options Held	% of Options
1 – 1,000	–	–	0.00%
1,001 – 5,000	71	279,476	0.45%
5,001 – 10,000	89	859,500	1.38%
10,001 – 100,000	299	12,219,257	19.56%
100,001 and over	95	49,104,659	78.61%
	554	62,462,892	100.00%

Other Stock Exchanges Listing

Quotation has been granted for all ordinary shares and options of the Company on all member exchanges of the ASX.

Restricted Securities

10,989,267 ordinary shares are under escrow for 12 months from 21 November 2014.

4,126,383 ordinary shares are under escrow for 24 months from 21 November 2014.

10,989,267 options are under escrow for 12 months from 21 November 2014.

4,126,383 options are under escrow for 24 months from 21 November 2014.

Unquoted Securities

There are no unquoted securities on issue by the Company.

Buy-Back

There is currently no on market buy-back.

Use of Funds

For the purposes of ASX Listing Rule 4.10.19, the Company confirms that it has used its cash and assets in a form readily convertible to cash, that it had at the time of admission, in a manner consistent with its business objectives, for the period from the Company's admission to the Official List of ASX Limited on 12 November 2014 to 30 June 2015.

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Company Information

Registered Office

Bailador Technology Investments Limited

Suite 908, Level 9
37 Bligh Street
Sydney NSW 2000
www.bailador.com.au

Directors

David Kirk (Chairman)
Paul Wilson (Company Secretary)
Andrew Bullock
Sankar Narayan
Heith Mackay-Cruise

Manager

Bailador Investment Management Pty Ltd

Suite 908, Level 9
37 Bligh Street
Sydney NSW 2000
(ASFL 400811)

Share Registry

Link Market Services Limited

Level 12
680 George Street
Sydney NSW 2000
www.linkmarketservices.com.au

Auditor

Hall Chadwick

Level 40, 2 Park Street
Sydney NSW 2000 Australia
www.hallchadwick.com.au

Australian Stock Exchange Codes

Shares: BTI

Options: BTIO



Bailador Technology Investments Limited

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