2016 Annual Report

BAILADOR TECHNOLOGY INVESTMENTS LIMITED
(ASX:BTI)

BAILADOR

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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).

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 Note 17 of the Financial Report for further information.

Objective

Bailador was established in August 2014 to invest in internet-related businesses in Australia and New Zealand that require growth capital. In particular, Bailador 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.

Capital Structure

The Company's capital structure comprises 100,844,918 Ordinary Shares which trade on the Australian Securities Exchange (ASX:BTI).

Financial KPIs	30 June 2016	30 June 2015
Share price	$1.135	$0.910
Earnings per share (cents)	12.38	6.44
Total Assets ($000)	121,607	69,133
NAV $ per share (pre-tax)	1.166	1.082
NAV $ per share (post-tax)	1.089	1.011

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 is a Sydney based privately owned investment manager which commenced trading in 2010.

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.

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 and is Chairman of the Sydney Festival. He is also a director of Forsyth Barr Limited, a privately owned investment firm. David holds several BTI portfolio directorships as Chairman of Rezdy and SMI and a director each of SiteMinder and Viocorp.

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 8,373,278 ordinary shares in BTI and an indirect interest in a further 744,761 ordinary shares.

David is a Director and shareholder of Bailador Investment Management Pty Ltd which holds a contract with Bailador Technology Investments Limited to act as Manager.
Further details pertaining to this agreement can be found in Note 5 of the Financial Report.

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 and Stackla. Paul is also a director of ASX-listed Vita Group Limited along with Yellow Pages (New Zealand) and the Rajasthan Royals IPL cricket franchise.

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 holds 3,068,136 ordinary shares in BTI and has an indirect interest in a further 410,423 ordinary shares.

Paul is a Director and shareholder of Bailador Investment Management Pty Ltd which holds a contract with Bailador Technology Investments Limited to act as Manager. Further details pertaining to this agreement can be found in Note 5 of the Financial Report.

Andrew Bullock

Independent Non-Executive Director

Andrew is a partner at Australian law firm, Gilbert + Tobin in the Corporate Advisory Group. He specialises on mergers and acquisitions, fundraisings and strategic joint ventures and the media sector. 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 410,422 ordinary shares in BTI.

Heith Mackay-Cruise

Independent Non-Executive Director

Heith is the independent non-executive Chair of hipages Group, the non-executive Chair of Literacy Planet and the non-executive Chair of the Vision Australia Foundation. He is non-executive director of the ASX listed LifeHealthcare Group and non-executive director of Academic Colleges Group in New Zealand. Heith is also a member of the Adara Partners Advisory Board.

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

Heith holds 488,029 ordinary shares in BTI.

Sankar Narayan

Independent Non-Executive Director

Sankar is currently the Chief Financial Officer of ASX and NZX listed company, Xero. He has previously been CFO 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 200,000 ordinary shares in BTI.

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, 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 building a company with revenue of something like $5 million to one with revenue of $50 million or more.

Performance in 2016

The underlying investment performance of the Bailador portfolio, measured as the increase in the NTA between 1 July and 30 June 2016 (pre-tax, adjusted for options exercised, after all fees) was 18.5%.

A one-off event has acted as a drag on net performance in 2016. At the end of March this year the options issued to IPO investors expired and investors holding the options and new investors who were able to subscribe through an option underwrite agreement invested a total of $38.4m in Bailador. As a result 38.4 million additional shares were issued taking the total number of shares issued from 62.5 million to 100.9 million. Accordingly, the per share returns of investors were diluted by the new shares issued.

The result is that in financial year 2016 the increase in the net asset value per share of Bailador was 7.8% (post-tax and after all fees). This compares favourably to the decrease in the ASX200 index during the same period of -4.1%. The out-performance of +11.9% compared to the benchmark we believe is most appropriate for Bailador is pleasing, but the absolute return of 7.8% is lower than we have come to expect.

What is more, the significant cash balance we held on our balance sheet for the last quarter of financial year 2016 acted as a drag on returns. Investors will know from their own experience that depositing money in bank accounts is an unrewarding investment experience today. The good news is we were able to use the cash raised to make further investments in portfolio companies and to make new investments, which we expect to provide much higher returns than cash at the bank.

The NAV per share increase that we report to you is the outcome of many changes during the year. We have explained the major detractor from growth – the issue of new shares – on the other side of the ledger we had some great performance. In 2016 we had strong growth from our established portfolio and we made additional investments in some of those companies. In addition we sold down a small portion of one company, which crystallised a large write-up in its value, and we made several exciting new investments.

You can read about the performance and prospects of our portfolio companies in the Operating and Financial Review section of this Annual Report. We will confine ourselves here to saying a few words about our three new investments.

New Investments

Rezdy

We invested in *Rezdy* in October 2015. We had been aware of *Rezdy* for sometime before we made our investment. SiteMinder, our long-standing and excellent performing investment in hotel booking software and channel management, has held a small investment in *Rezdy* since 2012. When SiteMinder made its investment, *Rezdy* was not yet established enough for Bailador to consider an investment but we very much liked the business model and the market opportunity. We followed *Rezdy's* progress from a distance and when the company grew to a size that was attractive to us and needed to raise capital we were ready and waiting. *Rezdy* provides booking software and channel management software to the tours and activities sector. It therefore provides services that are very similar to SiteMinder, only it provides these services not to hotels but to tour operators and activities providers. The market requirements are not exactly the same, but there are enough similarities between the two for us to be confident that *Rezdy* has similar potential to SiteMinder and that makes us very excited indeed.

Click Loans Group

In May 2016 we invested in *Click Loans Group*. This was our first investment in the much talked about fintech (short for financial technology) sector. The financial services industry is a huge and profitable industry and many new services based on internet, mobile and big data technology have been developed in the last few years. We have for a long time been interested in finding an investment in the fintech space. However there are established and deep-pocketed incumbents, in particular the big four banks in Australia and New Zealand, who have a lot to lose and plenty to invest. We have been careful to ensure that we should only invest in a business model and in people who we were as sure as you can be, which is never totally sure, would win. We found that in *Click Loans*. *Click Loans* is an online and mobile home loan comparison, broking and mortgage fulfilment business. On the company's web and mobile sites home owners can search for and compare mortgage products and, when they find the one that is best suited to their needs, complete the application in a highly efficient and simple process. *Click Loans* is the first investment we have made in which we are not at the top of the capital structure but rather on the same level as other investors. The funding round was quite large and we were a significant minority of the total raised and therefore could not expect to get all the terms we typically get when we are the lead investor in a funding round. We thought hard about this when we made the investment and we feel confident in our judgment that the quality of the people, the later stage of the investment and the growth momentum of the business compensates for the terms forgone.

DocsCorp

Our third new investment in the period, made in July 2016, was *DocsCorp*. As you may have guessed from the name of the company, *DocsCorp* is in the document management business. After selling his first business to a corporate more than 10 years ago, Dean Sappey teamed up with Shane Barnett and they decided to found a new business. They established a leading global position in their market segments, funding the growth out of their own pockets. Earlier this year however they came to a point when they could see a very rapid growth opportunity in front of them that required more people and more marketing, along with the necessary continued product development, than they could fund from retained earnings. It was our good fortune to meet them at this point.

DocsCorp is the global leader in a series of document management niches, providing software that allows law firms, accounting firms and other businesses working with a lot of documents to search, edit, compare, combine, store and find documents in a highly efficient and comprehensive manner. *DocsCorp's* software has typically been installed on computers at their client's premises and sold under a perpetual licence and maintenance and support contract as has been typical for software since it was invented. Many of *DocsCorps* clients still like this model and the company will continue to provide this 'on-premise' solution. However the growth of secure private networks, distributed storage and local networks, in short 'the cloud', has opened up a big new opportunity for *DocsCorp* to sell to a smaller professional services client base, and others, a typical software-as-a-service product. The team at *DocsCorp* have worked hard to build a cloud version of all of their products and are now ready to market and sell to the expanded customer base. In addition, an alliance with Microsoft and in particular Microsoft's cloud product for businesses and individuals, Microsoft 365, has set the scene for an acceleration of growth for *DocsCorp*. *DocsCorp* have around 100 employees in offices in Pittsburgh, Lisbon and Sydney and from the short time we have been working together it is clear we have invested in a winning team with a clear plan they know how to implement. We couldn't be happier.

Valuation

The increase in the NAV per share of Bailador in 2016 is a conservative estimate of the increase in the value of your investment in Bailador during the period. We are confident we can say conservative because of the way in which we value our investments when we first make them and the limited circumstances in which we allow ourselves to revalue investments. Since the value at which we hold individual investments is at the heart of the value of an investment in Bailador we thought it important to spell out clearly our policies and practices in our annual letter.

The first time we establish the value of our investment in a portfolio company is when we first invest. This value is negotiated between Bailador as investor and the founders and shareholders of the companies in which we are investing. Often founders will 'test the market' to help them establish the value of their company. This however is not how we arrive at the value we are prepared to pay. We determine what we are prepared to pay completely independently of what the founders believe their company is worth.

First we look hard at the most important financial performance metrics of the company and we compare these with a global database of companies. It is not always easy to find an exact analogy for the company we are considering and the valuation of comparable individual private companies is not available, but there are published metrics of trading and transaction valuation multiples to which we can refer. It is very important to understand the company performance metrics that matter for valuation. For instance when assessing software-as-a-service companies we focus on the market size opportunity, the revenue and customer growth rate, the gross margin, the gross and net customer and dollar churn rate and the efficiency with which customers are acquired and retained. How well the company does on these metrics determines the appropriate valuation, which we then discuss with the entrepreneurs looking for money. We are very careful to explain how and why we have come to our conclusion on valuation. We hope that those raising funds understand and see things our way but if not we wish them well and we both move on.

There is of course a reasonable range in which global valuation comparisons fall and we do have some latitude to pay at the top or the bottom of this range. We like always to leave a margin for error. The companies with A+ results on all metrics will tempt us to pay at the top of the range, but there is only one thing that will convince us to do so: the quality of management. We would much rather pay slightly more than we feel comfortable with knowing we have an absolutely top quality management team than pay in the middle of the range for a good but not great team. We do not pay at the bottom of the range at all because we do not invest in companies that have middle-to-bottom of the range metrics.

The valuation we have established by careful analysis and negotiation when we first invest is then only altered in three circumstances. First we may have agreed with an investee company that the shares we are issued should have an accumulating but not paid interest component. This will change our valuation in a small way on a month-to-month basis. The second circumstance in which we will change our valuation is on the basis of a cash transaction. Should a third-party unconnected to Bailador make a cash investment in the company or there be a sale by Bailador or another investor to a third party at a price higher (or lower) than our initial investment a new market price for the value of the company and our investment will have been established and we will then adjust our carrying value. Third and finally we will adjust the carrying value of an investment after a period, usually a year, in which there has been no transaction but a significant change (usually strong growth) in the metrics of the portfolio company.

As part of preparation of the year end financial statements, valuations are reviewed by an independent expert, as well as the auditors of BTI, and the three independent directors.

Valuation is an art not a science but it is an art that can be subject to rigorous analysis, comparison and discipline and it can be practised conservatively. This is what we do.

Finally, it should be encouraging to shareholders to know that not only do we value our investments conservatively because that's the only way we feel comfortable, but we also have a strong incentive as shareholders to value our investments conservatively.

Since new shares were issued at the end of March this year, the Bailador share price has mostly hovered at a modest discount to the NAV per share. That is, the equity market is valuing the sum of the value of our investments and cash at slightly less than we hold them. There is good reason for this. While we say we hold our investments conservatively – and we are pretty sure our investors believe us – we haven't comprehensively demonstrated that we do yet. Like the old movie-making and novel-writing maxim "show don't tell", we need to show that we are holding our investments at conservative valuations by making sales at valuations above our holding value. This will come, and our sale of a portion of our *SiteMinder* holding at a price 45% above our previous valuation was certainly a start, but we will not rush a sale simply to get a re-rating in our share price when we know that holding investments in fast growing businesses is adding to our shareholders wealth at a rate that they would not be able to replicate if we sold investments and gave them their money back. Back to our incentive. We expect in due course, when we have demonstrated the conservative nature of our holding values that the share price of Bailador will move from a modest discount to NAV to a modest premium to NAV. This will be good news for all shareholders of which we are large representatives.

Going global

Experienced investors in both the Australian and New Zealand share markets will have their own horror stories of great local companies that decided to 'go global', or more modestly decided to begin a program of investment and expansion in the UK or the United States or Asia and came badly unstuck. The list is long and extends to so seemingly innocuous a geographic expansion as New Zealand companies coming to Australia and the reverse. Why so much failure and why is it that the companies in the Bailador portfolio are so comprehensively cracking the nut of global expansion? It's a very interesting question and one that has much broader implications for Australia and New Zealand than simply understanding the quality of the Bailador portfolio. If both countries are to continue to grow in an era of declining growth in the working age population and diminishing productivity, exports will be crucial, as will inward international capital flows. Great Australian and New Zealand companies that establish global businesses with sales in multiple countries around the world and new jobs at home are fundamental to the economic success of both countries in the 21st century.

Set out on the following page (see page 9) is a map of the world and the offices and number of employees of the companies in the Bailador portfolio.

Bailador's investment mandate specifically targets Australian and New Zealand companies at the high growth stage that have already proven their capacity to grow internationally so it is not surprising Bailador companies should have international offices and many staff outside Australia. What might surprise many people is the scale of the companies and the wide geographic spread of offices. The Bailador portfolio is truly a global portfolio of great Australian and New Zealand companies selling to the world.

You can see quickly from the map that Bailador portfolio companies have offices in 12 countries around the world and a total of 815 employees, over half of whom are in international markets making sales or servicing customers. Of course the number of countries in which company employees are situated is a small subset of the number of countries the companies sell to. *SiteMinder* and *Rezdy* for instance make sales in 100+ countries and 84 countries respectively.

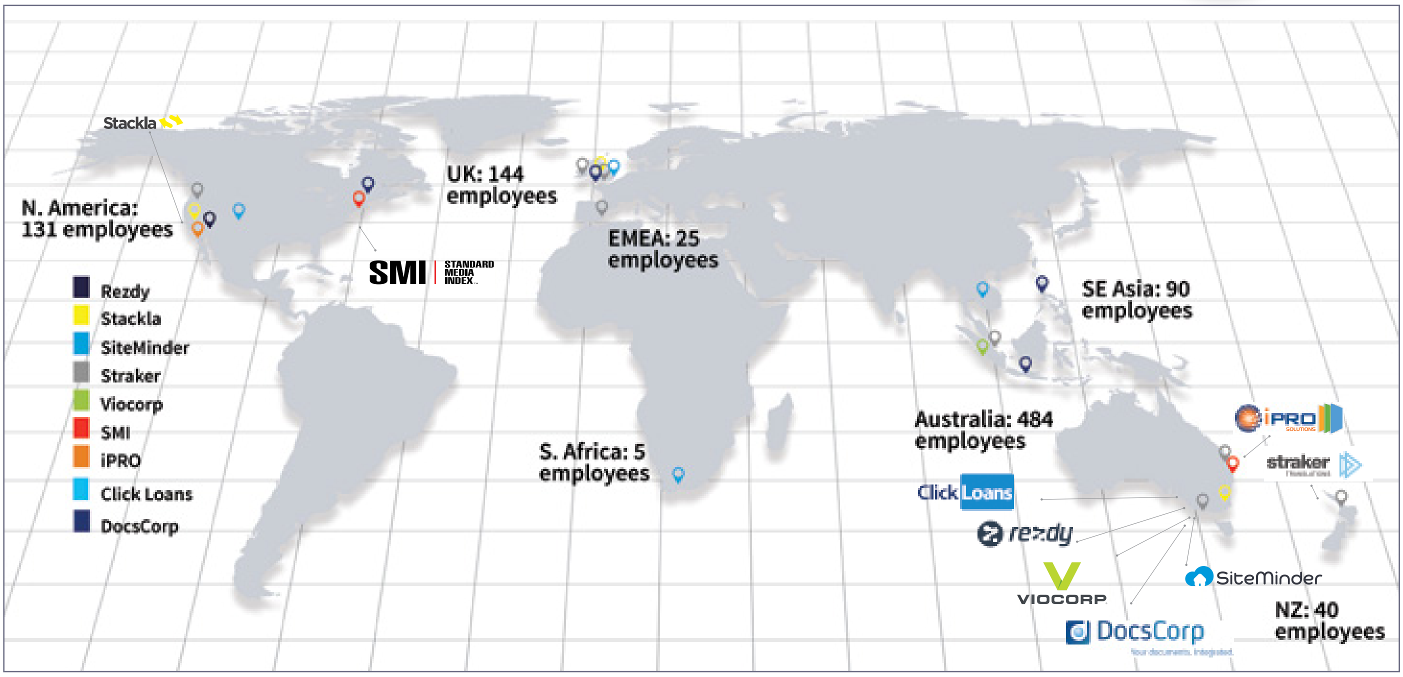
The map also shows 58% of the revenue generated by the Bailador portfolio companies comes from international markets.

There isn't room here to go into great detail as to why many established Australian and New Zealand companies have failed in their international expansion efforts and why it is that Bailador portfolio companies are succeeding so well but a few important comments can be made. There is selection bias of course. We choose the companies to invest in because they are successful or we assess they can be successful internationally before investing, but that doesn't explain why these and many other information technology companies are successful with their international expansion out of Australia and New Zealand. We believe the most important reasons are these:

A portfolio with a demonstrated global market

58% International Revenue

BTI's portfolio is headquartered in 3 countries, with offices in 12 countries, across 21 cities, employing a total of 815 people*



* as at 30 June 2016

1. The Bailador companies are taking new products and services to market and are not engaged in like-for-like competition with established incumbents. Too often international growth by established corporates is through acquisition and rarely is the acquired company the leader in the particular market segment. As a result the acquiring Australian or New Zealand company is immediately in a dog-fight with a stronger domestic competitor. The companies in the Bailador portfolio however, are working to convert customers from an inferior traditional method of acquiring customers, marketing, managing documents, communicating, taking out a mortgage, translating languages or ensuring compliance with regulations to a more efficient, less expensive and faster way of doing the same thing.

2. Information technology, especially software, online and mobile models (such as marketplaces and data) is inherently less capital intensive than just about all other industries. This means the financial 'bets' companies in information technology need to make to establish an international customer base are much lower than companies in traditional industries. This doesn't help of course if all the bets that are made are wrong but it does mean mistakes can be fixed quickly and relatively inexpensively and that more little bets can be made in multiple markets to determine the best product/market fit before scaling up quickly as the best investments start to pay off.

3. The products and services provided by the companies Bailador invests in are fundamentally global in nature. That is, they are applicable in all parts of the world. For instance, social media and all the business models and opportunities that are derived from it are global and replicable. The business, social and personal requirements of Europeans, South Americans and Asians are not that different and if a company has built the right product and has worked out an effective way to market and sell it then it can be sold to pretty much every one on the planet.

4. Information technology companies and the managers of them are inherently networked. The companies in the Bailador portfolio thrive by being a part of networks of suppliers, customers, complementary product and service providers, capital providers, head-hunters and even competitors that are all in one way or another talking to each other about what is going on and what needs to be done to succeed. Good business decisions are made in minutes, not days or weeks and success is celebrated and learned from and copied if possible. People are supportive of each other because they like what they are doing, they know what the other guy is going through and because they know that what goes around comes around. One day a woman you helped simply because you could, will be in a position to help you and she will do so, simply because she can.

Skilling up

Bailador has grown considerably in the last year. We have grown our capital under management, we have grown the number of companies in our portfolio and our established companies have got bigger and more complex.

Perhaps most important of all for investors, the Manager's team at Bailador has grown considerably to match the scale and complexity of what we now need to do to manage your money effectively. In last year's Founders Letter we explained why Bailador is not like any other LIC listed on the ASX. We invest directly in private companies not in the publicly traded shares of listed companies. Accordingly we need a quite different range of skills and experience to do a good job for you.

We need to be good at company and business analysis, we need to be good at understanding and assessing technology, we need to be good at negotiating and agreeing investment terms, we need to be good at working with companies on business growth, we need to be good at helping to raise capital for companies, we need to be good at company governance as directors and we need to be good at helping sell companies.

To put it in terms of particular roles, at Bailador we need to be part business and company analyst, part investment banker (eek!), part private equity investor, part management consultant, part company director, part head-hunter and part technologist.

In 2016 we have carefully put together the team that we think can fulfil all these roles. There are now six investment professionals at Bailador and Helen and Suzie making sure that all the important work of reporting and governing a public investment fund is done smoothly and effectively.

Aside from Paul and me, who have growth capital investing, private equity, management consulting, company management and public company directorship experience (as well as a few grey hairs), we have a team with experience in investment banking, venture debt investing, venture capital investing, accounting, financial management in growth stage companies, corporate business development and strategy, public company analysis for a hedge fund and enterprise sales for a technology company. And believe it or not they are all quite young! Paul and I are privileged to work with Andrea, James, Michael and Georgie and after the first five years managing the fund on our own, with the help of Suzie and Helen of course, we sleep a bit better now knowing we have an absolutely A+ team working with us.

Our last letter to you was our first post-IPO in 2014 and we're pleased with what we've achieved between then and now. We are buoyed by what the year ahead holds and looking forward to sharing the journey with you.

David Kirk
Chairman and Executive Director

Paul Wilson
Executive Director

David & Paul have brought together a highly experienced investment team that is able to apply a diverse range of experiences to the investment process and play a valuable role in assisting our portfolio companies as they scale.

James Johnstone – Investment Director

Bailador gives investors access to technology companies in their growth stage, and a level of professional management which was previously not available.

Andrea Kowalski – Investment 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.

There have been no significant changes in the nature of the Company's principal activities during the financial year.

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 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 for the financial year ended 30 June 2016 amounted to $8,864,000 (2015 $4,023,000), after providing for income tax.

The underlying investment performance of the Bailador portfolio, measured as the increase in the NTA between 1 July 2015 and 30 June 2016 (pre-tax, after all fees, adjusted for options exercised), was 18.5% pa over the year. The level of cash held while constructing the portfolio has had a constraining impact on returns. This will abate as capital becomes fully deployed.

Review of Operations

New Investments

Straker Translations

In September 2015, BTI made a NZ$4m (AUD$3.7m) investment in convertible preference shares in Straker Translations. Straker Translations has performed strongly since our investment. A third party investment was made in December 2015 at a valuation 20% higher than the valuation paid by BTI only 3 months earlier. Further increased by FX gains, Straker Translations is now held at a value 23.9% higher than the initial September 2015 investment.

Stackla

Also in September 2015, BTI invested $2.5m in a convertible note in Stackla. The convertible note has accrued interest since this investment and was also revalued upwards in June 2016 following a third party investment at a valuation 42% higher than BTI's September valuation. BTI has made follow-on investments throughout the first half of 2016 totalling $3.9m, taking our total investment in Stackla to $6.4m. The carrying value at June 2016 is $7.4m, 16.4% up on total investment cost.

Rezdy

In October 2015, BTI made a $2.5m investment in convertible preference shares in Rezdy. These convertible preference shares accrue interest, and BTI's investment in Rezdy sits 8.1% higher than the October investment cost.

iPRO

In May 2016, BTI made a $2.0m follow-on investment in portfolio company iPRO.

Viocorp

Between January and May 2016, BTI made follow-on investments in portfolio company Viocorp of $6m. The investments were made on the same terms as our previous investment. Viocorp delivered gains of $4.0m due to accrued interest over the last twelve months.

Click Loans Group

In May 2016, BTI made a $4.0m investment in Click Loans Group, a fast growing fintech business which is disrupting the multi-billion dollar mortgage industry. Being a recent investment, the BTI Click Loans investment is held at cost.

Review of Operations (continued)

Realisations

In December 2015, BTI sold a portion of its holdings in SiteMinder for $5m. The sale resulted in a valuation uplift of SiteMinder of 45%.

Valuation of Investments

The Directors have reviewed the value of the investment portfolio and the net tangible assets of BTI as at 30 June 2016. In conducting their valuation review, the Directors have had regard to the 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".

All investments are currently held at cost (plus accrued interest where applicable) or the valuation implied by the latest third party investment.

Operating Reports on Portfolio Companies

SiteMinder

SiteMinder is the world leader in hotel channel management and distribution solutions for online accommodation bookings, seamlessly connecting to more than 400 distribution partners, including leading Online Travel Agents (OTAs) such as Booking.com, Expedia, TripAdvisor, Google and C-Trip. 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 all products on its software platform on a monthly basis to over 20,000 customers worldwide, making it the largest hotel channel management and distribution solution 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 2016, with continued strong growth in revenue and strengthening of underlying KPIs.

Over the past 12 months SiteMinder has broadened its suite of products to include a pricing intelligence tool (assisting hotels to maximise revenue) and a smart website creator that targets smaller hotels seeking greater conversion through their most profitable channel (their own website). These products sit alongside the core channel management tool, the booking engine (The Booking Button) and the property management system for small hotels (Little Hotelier).

Through additional strategic partnerships secured during the year, SiteMinder has added to the number of advanced ways a hotel can distribute its inventory.

Valuation 30 June 2016:	$31.3m
Valuation at 30 June 2015:	$25.0m
Additional Investment/ (Divestment) since 30 June 2015:	($5.0m) in December 2015
Basis for valuation:	Recent third party investment
Securities held:	Convertible preference shares

Review of Operations (continued)

Viocorp

Viocorp is a cloud based end-to-end video platform for the creation, management and distribution of digital video. Viocorp's platform is used by corporate and government enterprises in business communications such as marketing, e-commerce, internal communications and corporate relations.

During 2016 Viocorp completed its transition from delivering bespoke development contracts to a SaaS enterprise video management platform. In completing this transition Viocorp exited unprofitable bespoke development contracts and eliminated the costs associated with these contracts.

Licence fee and webcasting revenue account for 98% of total revenue and while Viocorp's overall revenue result was flat in the year, its annual recurring revenue increased 57%. The average contract value of Viocorp's new customers increased 66% in 2016 and the company's net dollar churn rate was positive 8%, illustrating the quality of the product and the potential for upselling opportunities.

In 2016 Viocorp achieved the milestone of winning their first US client, the US's largest web infrastructure service provider. This relationship has the potential to deliver additional revenue streams by way of wider partnership opportunities.

Viocorp's product/market position continues to be attractive. The target market for Viocorp – selling SaaS licences to the enterprise and government sectors – is growing rapidly as both private enterprise and government make more prolific use of video in their communication and marketing.

Valuation 30 June 2016:	$28.5m
Valuation at 30 June 2015:	$18.5m
Investment since 30 June 2015:	$6.0m
Date of investment since 30 June 2015:	$2.0m – January 2016 $4.0m – May 2016
Basis for valuation:	Cost plus accrued interest, with cross check of revenue multiples
Securities held:	Convertible preference shares and convertible notes

iPRO

iPRO is a cloud based SaaS platform that helps corporate and government enterprises efficiently manage their vendor compliance risk. 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.

During 2016 iPRO made considerable progress in scaling up the executional capabilities of the business across both the sales & marketing function and the new customer onboarding process. iPRO's revenue grew 20% in the year to 30 June 2016.

iPRO spent a considerable part of 2016 focussed on research & development in preparation for the launch of the next iteration of the iPRO platform. The next release will feature a series of product enhancements while also readying the platform to launch into the European and US markets.

Both a US and European sales presence was established in 2016 and plans to roll out the iPRO platform in the US and Europe have commenced. The response to iPRO's platform in Europe and the US has been encouraging and these markets have the potential to be a material revenue stream for iPRO.

The prospects for the iPRO business are attractive with iPRO leading the Australian market and now starting to gain early interest in the large US and European markets.

Valuation 30 June 2016:	$8.5m
Valuation at 30 June 2015:	$5.7m
Additional investment since 30 June 2015:	$2.0m – May 2016
Basis for valuation:	Cost plus accrued interest with cross check of revenue multiples
Securities held:	Convertible preference shares and ordinary shares

Review of Operations (continued)

Stackla

Stackla is a leading social content marketing platform that aggregates, curates and distributes user-generated-content ("UGC") from sites such as Facebook, Twitter, Instagram, YouTube, and Wordpress. It provides marketing teams with an intelligent and user-friendly platform that curates this content (according to hundreds of potential filters and rules) and publishes it across the entire marketing technology stack (e.g. a company's website, CRM system, email marketing campaign software, social media management tools, paid advertising tools). The platform also offers brands the tools required to obtain 'rights for use' from the content generator.

The use of UGC in a brand's marketing strategy has two core benefits: (1) it provides a source of trusted third-party validation, increasing customer conversion to sale through greater authentication, and (2) it reduces the cost to the company of content creation. In order to remain competitive and optimise for search a brand must constantly be refreshing its content across all touch-points in the marketing tech stack.

Established in 2012, Stackla has a portfolio of more than 250 customers and generates more than two thirds of its revenue outside Australia. It currently employs 55 FTEs across its offices in Sydney, Melbourne, San Francisco (headquarters), London and Singapore.

Stackla is a software-as-a-service ("SaaS") business, licensing its platform to customers on an annual basis. Over 90% of Stackla's revenue is recurring in nature. Stackla has performed very well over the past 12 months with material reinforcement of KPIs and annual growth in recurring revenue in excess of 80%. The company has attracted leading global enterprise brands such as Universal Music Group, World Rugby, Virgin Holidays and Sky as recent new customers, and has further established itself in the US with key senior hires joining the team in San Francisco.

Valuation 30 June 2016:	$7.4m
Investment since 30 June 2015:	$6.4m
Date of investment:	$2.5m – September 2015 $2.5m – February 2016 $1.4m – May 2016
Basis for valuation:	Recent third party investment
Securities purchased:	$2.5m Convertible note $3.9m Convertible preference shares

Standard Media Index

Standard Media Index (SMI) is a big data aggregation and analysis platform that has exclusive access to advertising expenditure data through its partnership with global media buying agencies.

SMI employs a subscription revenue model with over half its revenue generated from markets outside Australia and New Zealand. SMI revenue grew revenue 10% in FY2016.

Over the course of 2016 SMI continued to expand its traditional and digital media customer base across all regions while also making progress in selling its data assets to the financial services industry.

SMI spent 2016 developing a new product for the US market that pairs SMI's exclusive advertising spend data with 3rd party data sets. This new product will deliver a new range of commercial insights to US customers and has the potential to open up a new revenue stream from new and existing customers.

The prospect of higher growth in the coming year, following the launch of new products is strong, as is growing revenue opportunities in other industry verticals such as financial services. SMI continues to hold exclusive contracts to source advertising spend data from buying agencies in more than 40 countries. The potential to establish a global data business with a unique and valuable data product remains real and attractive.

Valuation 30 June 2016:	$5.5m
Valuation at 30 June 2015:	$5.5m
Basis for valuation:	Cost with cross check of revenue multiples
Securities held:	Ordinary shares

Review of Operations (continued)

Straker Translations

Straker Translations (Straker) is a provider of 24/7 cloud-enabled translation services to 10,000 customers across 20 countries. Straker has developed a hybrid translation platform that combines automated translation technology with a qualified network of human translators to deliver a best in class translation solution. The utilisation of technology means Straker is able to achieve industry leading gross margins.

Straker has made considerable progress since BTI's investment in August 2015. Straker has pursued growth in four key areas: online marketing, enterprise sales, developing API partnerships and acquisitions.

During the course of 2016 Straker implemented its API strategy across a number of key content platforms. The company's API implementations allow it to leverage large customer bases to cost effectively acquire recurring translation work. Revenue from API connections has now grown to represent a material component of monthly revenue.

In 2016 Straker actively monitored the market for acquisition opportunities. While Straker is yet to complete an acquisition, work to date indicates that Straker is likely to be presented with attractive opportunities to consolidate the industry and leverage its technology advantage.

The growth prospects for Straker are strong in the growing US$37bn translation market. Straker has a vastly superior operating model compared to traditional translation businesses and the company has a series of step-out growth initiatives underway that could deliver material revenue increases.

Valuation 30 June 2016:	$4.6m
Invesment since 30 June 2015:	$3.6m – September 2015
Basis for valuation:	Recent third party investment
Securities held:	Convertible preference shares

Click Loans Group

Click Loans Group (CLG) is a fast growing fintech company disrupting the multi-billion dollar Australian mortgage industry. Founded in 2013 by David Hyman, Sebastian Watkins, Martin Lam and Mark Kalajzich, Click Loans Group employs 95 people and is headquartered in Sydney, Australia. Today, the group comprises online and mobile sites *Australian Credit and Finance* and *Click Loans*.

Australian Credit and Finance (ACF)

ACF matches home loan borrowers with the right lender and the right loan product. The business leverages a panel of +25 lenders, including AMP, ANZ, Suncorp Bank, Bankwest, Westpac, Commonwealth Bank, ING Direct and NAB, and procures a suite of different loan types: Refinances, Debt Consolidation, New Purchases, Low Doc Home Loans, Self-Employed, Construction, Bad Credit and Renovation. A borrower applies and receives approval online, and ACF handles the application and fulfilment process, taking the hassle of acquiring a home loan out of the consumer's hands.

Click Loans

Click Loans is an end-to-end online mortgage product offering Australians home loans for new purchases and refinances, backed by several of Australia's largest technological and financial institutions. Home loan clients can compare loan options, complete the entire application process online, verify ID online and subsequently receive approval from a designated 'Home Loan Concierge' through the platform's personalised dashboard.

CLG generates revenue by a combination of upfront and trailing commissions, consistent with the home loan brokerage model. The group has established itself as one of the fastest growing companies in the mortgage space through innovative use of data and execution technology. Funding from Bailador and other investors has provided a solid platform for the group to continue its rapid growth trajectory.

Valuation 30 June 2016:	$4.0m
Investment since 30 June 2015:	$4.0m – May 2016
Basis for valuation:	Recent third party investment
Securities held:	Ordinary shares

Review of Operations (continued)

Rezdy

Rezdy is Australia's leading booking software, channel management tool and B2B marketplace for the tours and activities sector. The company's channel management and distribution solutions increase online and mobile sales of tours and activities through a suite of marketing tools, and facilitate greater reach through leading global distribution partners such as Viator, C-Trip and Expedia. Rezdy's booking software platform also simplifies back-end operations for customers, with inventory, scheduling and reservation engines.

Rezdy's B2B marketplace connects tour and activity operators with over 2,500 independent Agents (such as hotel concierges and visitor information centres), and handles activity and commission payments.

Established in 2012, Rezdy has more than 1,600 active customers who have collectively processed more than $1.2bn in booking revenue through the platform. The company generates approximately half its revenue outside of Australia, spanning 83 countries. The core of Rezdy's business (booking software and channel management tools) generates revenue through a software-as-a-service ("SaaS") model in which subscription fees are paid on a monthly or annual basis. The B2B marketplace generates revenue through license subscriptions and transaction fees. Approximately 90% of Rezdy's revenue is recurring in nature.

Over the past 12 months Rezdy has demonstrated high growth in revenue with significant traction in the US. In February 2016 the company opened its US head office in Las Vegas building out a local Inside Sales team.

Valuation 30 June 2016:	$2.7m
Investment since 30 June 2015:	$2.5m – October 2015
Basis for valuation:	Recent third party investment
Securities held:	Convertible preference shares

Significant Changes in State of Affairs

Helen Plesek was appointed as Secretary of the Company on 10 November 2015 and Paul Wilson resigned as Secretary of the Company on 11 November 2015.

Other than the above, there was no significant change in the Company's state of affairs during the year.

Events after the Reporting Period

In July 2016, BTI invested $5.0m in convertible preference shares in DocsCorp. Refer to the Company's July 2016 NTA 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 year 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.

Future Developments, Prospects and Business Strategies (continued)

Liquidity Risk

There is a risk that the investment portfolio's underlying investments or 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 the 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.

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 2014 amendments) as well as current standards of best practice for the entire financial year ended 30 June 2016 and have been approved by the board.

Board Composition

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

Andrew Bullock
Sankar Narayan
Heith Mackay-Cruise

Mr. Sankar Narayan and Mr. Heith Mackay-Cruise were both re-elected to their board positions at the Company's Annual General Meeting held on 10 November 2015.

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 year ended 30 June 2016, 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. In addition, directors need to have a strong understanding of a range of other business requirements, 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 at all times to:

- Act in good faith in the best interests 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 Code of Conduct and 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 remuneration 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 Nomination and Risk 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. The Board, along with the Nomination and Remuneration Committee have met throughout the year and have found the current board performance and composition to be appropriate.

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 and interim 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.

The Company ensures its statutory auditor attends the Annual General Meeting and is available to answer questions from shareholders relevant to the audit.

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.

There have been no changes to the risk profile of the Company.

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 financial year ended 30 June 2016. The information in the preceding operating and financial review forms part of this directors' report for the year ended 30 June 2016 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 year:

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

Dividends

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

Indemnifying Officers or Auditor

During the year, 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 year.

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 no 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 year ended 30 June 2016:

	$
Taxation services	$16,500
	$16,500

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 27 of the Financial Report.

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

During the year ended 30 June 2016, the Company issued 38,382,025 ordinary shares upon the exercise of options. 24,080,867 options expired unexercised on 31 March 2016.

There are no further unissued ordinary shares of the Company under options as at 30 June 2016.

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.

Helen Plesek
Company Secretary

- Helen has over 20 years of experience in finance, corporate development and governance holding senior roles at Inchcape Motors Australia, Tubemakers of Australia and BRW Fast 100 winner and technology company, LX Group. In addition, Helen has consulted on best practice finance systems across a range of companies and government bodies.
- Helen holds a Bachelor of Commerce in Accounting and a Masters in Politics and Public Policy. She is a Certified Practicing Accountant.
- Appointed Company Secretary 10 November 2015.

Meetings of Directors

During the period, 6 meetings of directors and 4 committee meetings 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	6	6	3	3	1	1
Paul Wilson	6	6	3	3	1	1
Andrew Bullock	6	5	3	2	1	-
Sankar Narayan	6	6	3	3	1	1
Heith Mackay-Cruise	6	6	3	3	1	1

Remuneration Report (Audited)

Remuneration Policy

Bailador Technology Investments Limited does not employee 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 has agreed that the independent Directors, Andrew Bullock, Sankar Narayan and Heith Mackay-Cruise, are to receive $60,000 per annum. The non-independent Directors do 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 in the NAV. All the costs of the Manager, including staff, rent, training, and other costs are paid for from this fee.

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). The performance fee is only payable from realised gain. The hurdle was cleared in the year to 30 June 2016 and the performance fee has been accrued for payment, but not paid in cash to the Manager. The performance fee relating to gains in the financial year to 30 June 2015 was paid in cash to the Manager in line with the agreement to only make performance fee payments out of realised gains. The cash performance fee payments made to the Manager during the financial year ended 30 June 2016 were paid from the proceeds of the partial realisation of SiteMinder.

Amounts paid or payable to the Manager relating to the year ended 30 June 2016 are as follows:

Base management fee	$1,585,196
Performance fee	$2,978,360
Reimbursement of portfolio management expenses	$118,248

Key Management Personnel (KMP) Remuneration

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

	Position	Directors' Fees
David Kirk	Chairman and Executive Director	–
Paul Wilson	Executive Director	–
Andrew Bullock	Non-executive Director	60,000
Sankar Narayan	Non-executive Director	60,000
Heith Mackay-Cruise	Non-executive Director	60,000
	Non-recoverable GST incurred on director payments	16,858
		196,858

KMP Shareholdings

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

	Balance at 30 June 2015	Shares acquired via exercise of options	Net number of shares acquired	Net number of shares disposed	Balance at 30 June 2016
David Kirk	4,174,139	4,174,139	25,000	–	8,373,278
Paul Wilson	1,463,897	1,463,897	140,342	–	3,068,136
Andrew Bullock	310,422	100,000	–	–	410,422
Sankar Narayan	75,000	100,000	25,000	–	200,000
Heith Mackay-Cruise	388,029	100,000	–	–	488,029
	6,411,487	**5,938,036**	**190,342**	**–**	**12,539,865**

KMP Option Holdings

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

	Balance at 30 June 2015	Options Exercised	Net number of options acquired	Net number of options disposed	Options lapsed	Balance at 30 June 2016
David Kirk	4,174,139	(4,174,139)	–	–	–	–
Paul Wilson	1,463,897	(1,463,897)	–	–	–	–
Andrew Bullock	310,422	(100,000)	–	–	(210,422)	–
Sankar Narayan	75,000	(100,000)	25,000	–	–	–
Heith Mackay-Cruise	388,029	(100,000)	–		(288,029)	–
	6,411,487	**(5,938,036)**	**25,000**	**–**	**(498,451)**	**–**

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 year 1 July 2015 to 30 June 2016, David Kirk earned $50,000 from SiteMinder and $30,000 from Viocorp. Paul Wilson earned $50,000 from SiteMinder, $30,000 from Viocorp, $40,000 from iPRO, $13,333 from Stackla and $31,780 from Straker Translations.

Bailador Technology Investments Limited paid $45,291 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 2016

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 year ended 30 June 2016 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

Level 40
2 Park Street
Sydney NSW 2000
Australia

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Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

Drew Townsend
Partner
Dated: 19 August 2016

Statement of Profit or Loss and Other Comprehensive Income

for the Year Ended 30 June 2016

	Note	12 Months to 30 June 2016 $000	Period from 4 August 2014 to 30 June 2015 $000
Revenue	2	18,152	8,420
Interest income		310	323
Accounting fees		(151)	(51)
ASX fees		(52)	(50)
Audit fees	6	(58)	(47)
Custody fees		–	(15)
Directors' fees		(197)	(150)
Due diligence costs		(51)	(222)
Independent valuations		(173)	(56)
Initial public offer costs		–	(784)
Legal fees		(192)	(78)
Manager's fees	5	(1,585)	(752)
Manager's performance fees	5	(2,978)	(734)
Registry administration		(16)	(11)
Other expenses		(335)	(53)
Profit before income tax	2	12,674	5,740
Income tax expense	3	(3,810)	(1,717)
Profit for the year/period		8,864	4,023
Other comprehensive income		–	–
Total comprehensive income for the year/period		8,864	4,023
Earnings per share			
– basic earnings per share (cents)	7	12.38	6.44
– diluted earnings per share (cents)	7	12.38	6.44

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2016

	Note	As at 30 June 2016 $000	As at 30 June 2015 $000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	27,784	13,759
Trade and other receivables	9	98	46
TOTAL CURRENT ASSETS		27,882	13,805
NON-CURRENT ASSETS			
Financial assets	4	92,442	54,722
Deferred tax assets	11	1,283	605
TOTAL NON-CURRENT ASSETS		93,725	55,327
TOTAL ASSETS		121,607	69,133
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	2,776	926
Current tax liabilities	11	1,461	341
TOTAL CURRENT LIABILITIES		4,237	1,267
NON-CURRENT LIABILITIES			
Deferred tax liabilities	11	7,512	4,715
TOTAL NON-CURRENT LIABILITIES		7,512	4,715
TOTAL LIABILITIES		11,749	5,982
NET ASSETS		109,858	63,150
EQUITY			
Issued capital	12	96,971	55,379
Share option reserve	12	–	3,748
Retained earnings		12,887	4,023
TOTAL EQUITY		109,858	63,150

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the Year Ended 30 June 2016

	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
Balance at 1 July 2015		55,379	3,748	4,023	63,150
Comprehensive income					
Profit for the year		–	–	8,864	8,864
Total comprehensive income for the period		–	–	8,864	8,864
Transactions with owners, in their capacity as owners, and other transfers					
Shares and options issued during the year	12	38,382	–	–	38,382
Transaction costs, net of tax		(538)	–	–	(538)
Transfer from share option reserve		3,748	(3,748)	–	–
Total transactions with owners and other transfers		41,592	(3,748)	–	37,844
Balance at 30 June 2016		96,971	–	12,887	109,858

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the Year Ended 30 June 2016

	Note	12 Months to 30 June 2016 $000	Period from 4 August 2014 to 30 June 2015 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(4,312)	(2,054)
Interest received		292	307
Net cash used in operating activities	14	(4,020)	(1,747)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial assets at fair value through profit and loss		(24,568)	(8,893)
Sale of financial assets at fair value through profit and loss		5,000	–
Net cash used in investing activities		(19,568)	(8,893)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of payouts		38,382	25,000
Payments relating to costs of capital raising		(769)	(601)
Net cash provided by financing activities		37,613	24,399
Net increase in cash held		14,025	13,759
Cash and cash equivalents at beginning of period		13,759	–
Cash and cash equivalents at end of year		27,784	13,759

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the Year Ended 30 June 2016

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 any public announcements made during the period. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

These financial statements were authorised for issue on 19th August 2016.

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 are 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 of Assets and Liabilities

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 (i.e., 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 (i.e., 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.

Note 1: Summary of Significant Accounting Policies (continued)

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 (i.e., 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.

Note 1: Summary of Significant Accounting Policies (continued)

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. Refer to note 1(d) for further discussion on the determination of impairment losses.

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. 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.

k. 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.

l. Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The comparative period represents the period from 4 August 2014 (date of incorporation) to 30 June 2015.

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 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 certain provisions on hedge accounting) 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: Profit For The Year

	12 Months to 30 June 2016 $000	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 year/period:		
Fair value gains on financial assets at fair value through profit or loss	18,152	8,420

During the period, investments in six of the eight financial assets held by the entity increased in value. In particular, revaluation of the investment in SiteMinder contributed revenue of $11,288,000. Valuation methodology of all financial assets is consistent with the methodology discussed in Note 18 of the financial statements.

Note 3: Tax Expense

	12 Months to 30 June 2016 $000	Period from 4 August 2014 to 30 June 2015 $000
a. The components of tax expense comprise:		
Current tax	1,461	3,148
Deferred tax	2,349	(1,431)
	3,810	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	12,673	5,740
Prima facie tax payable on profit from ordinary activities before income tax at 30%	3,802	1,722
Tax effect of:		
– Other deductions	8	(5)
Income tax attributable to entity	3,810	1,717
The weighted average effective tax rate is as follows:	30%	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	231	2,680
	231	2,680

Note 4: Financial Assets

	As at 30 June 2016 $000	As at 30 June 2015 $000
SiteMinder	31,288	25,000
Viocorp	28,469	18,474
iPRO	8,459	5,748
Stackla	7,449	–
SMI	5,500	5,500
Straker Translations	4,576	–
Click Loans	4,000	–
Rezdy	2,701	–
	92,442	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 $1,585,196 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 $118,248 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%.

Note 5: Management Fees (continued)

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 $2,978,360 of performance fees paid or payable to the Manager. The Manager was paid a cash payment of $1,140,670 plus GST for performance fees throughout the year.

Note 6: Auditor's Remuneration

	12 Months to 30 June 2016 $000	Period from 4 August 2014 to 30 June 2015 $000
Remuneration of the auditor for:		
Auditing or reviewing the financial statements	58	47
Taxation services	17	55
Due diligence investigations	–	55
	75	157

Note 7: Earnings per Share

	12 Months to 30 June 2016 $000	Period from 4 August 2014 to 30 June 2015 $000
Profit after income tax	8,864	4,023

	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	71,593,968	62,462,893

	Cents	Cents
Basic earnings per share	12.38	6.44
Diluted earnings per share	12.38	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 2016 $000	As at 30 June 2015 $000
Cash at bank	27,784	13,759
	27,784	13,759

Note 9: Trade and Other Receivables

	As at 30 June 2016 $000	As at 30 June 2015 $000
CURRENT		
Trade debtors	–	7
GST receivable	47	23
Interest receivable	33	16
Other prepayments	18	–
	98	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 2016 $000	As at 30 June 2015 $000
CURRENT		
Trade creditors	119	113
Manager's performance fees accrued	2,543	734
Other payables	114	79
	2,776	926

Note 11: Income Tax

	As at 30 June 2016 $000	As at 30 June 2015 $000
CURRENT		
Income tax payable	1,461	340

	Balance at 4 Aug 2014 $000	Charged to profit or loss $000	Charged directly to equity $000	Balance at 30 June 2015 $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**

	Balance at 1 July 2015 $000	Charged to profit or loss $000	Charged directly to equity $000	Balance at 30 June 2016 $000
NON-CURRENT				
Deferred tax liability				
Tax on unrealised gains	1,855	3,199	–	5,054
Tax on acquisition assets on opening	2,860	(402)	–	2,458
	4,715	**2,797**	**–**	**7,512**

Note 11: Income Tax (continued)

	Balance at 4 Aug 2014 $000	Charged to profit or loss $000	Charged directly to equity $000	Balance at 30 June 2015 $000
Deferred tax asset				
Provisions	–	244	–	244
Transaction costs on acquisitions	–	28	–	28
Transaction costs on equity issue	–	152	180	333
	–	**424**	**180**	**605**

	Balance at 1 July 2015 $000	Charged to profit or loss $000	Charged directly to equity $000	Balance at 30 June 2016 $000
Deferred tax asset				
Provisions	244	553	–	797
Transaction costs on acquisitions	28	28	–	56
Transaction costs on equity issue	333	(133)	230	430
	605	**448**	**230**	**1,283**

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
Opening balance at 1 July 2015	62,462,893	55,379,410
Ordinary shares issued following exercise of options	38,382,025	38,382,025
Transfer from share option reserve	–	3,747,774
Less Costs directly attributable to the issue of ordinary shares	–	(538,499)
Closing balance at 30 June 2016	100,844,918	96,970,710

Note 12: Issued Capital and Share Option Reserve (continued)

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
Opening balance at 1 July 2015	62,462,892	3,747,774
Options exercised during the year	(38,382,025)	–
Options lapsed during the year	(24,080,867)	(3,747,774)
Closing balance at 30 June 2016	–	–

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 of the investment strategy of the Company;
- to maximise the returns to shareholders while safe-guarding capital by investing in a portfolio in line with investment strategies of the Company; 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 the 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

	12 Months to 30 June 2016 $000	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	8,864	4,023
Non-cash flows in profit:		
Unrealised fair value gains on financial assets at fair value through profit or loss	(18,152)	(8,420)
Increase in trade and other receivables	(52)	(47)
Increase in trade and other payables	1,850	926
Increase in current tax liabilities	1,120	341
Increase in deferred tax	2,350	1,430
Cash flow from operating activities	(4,020)	(1,747)

Note 15: Contingent Liabilities

There were no contingent liabilities at 30 June 2015 and 30 June 2016.

Note 16: Events After the Reporting Period

In July 2016, BTI invested $5.0m in convertible preference shares in DocsCorp. Refer to the Company's July 2016 Monthly NTA Report 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	2016 $000	2015 $000
Financial assets			
Cash and cash equivalents	8	27,784	13,759
Financial assets at fair value through profit or loss	4	92,442	54,722
Trade and other receivables	9	98	46
Total financial assets		120,324	68,528
Financial liabilities			
Financial liabilities at amortised cost	10	2,776	926
Total financial liabilities		2,776	926

Note 17: Financial Risk Management (continued)

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 its 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 2016	Profit $000	Equity $000
+/– 5% in gain on equity investments	513	513

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 fulfil 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 not 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 the Company's 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.

Note 18: Fair Value Measurement (continued)

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.

The "price of recent investment" methodology refers to the price at which a significant amount of new investment into a company has been made which is used to estimate the value of other investments in the company, but only if the new investment is deemed to represent fair value and only for a limited period following the date of the investment. The methodology therefore requries an assessment at the measurement date of whether any changes or events during the limtied period following the date of the recent investment have occured that imply a change in the investment's fair value.

The "cost plus accrued interest" methodology refers to the face value of securities including any interest which has accrued at the measurement date. It is particularly relevant where the security has either a structural or a contractual liquidity preference.

A "revenue multiple" methodology is often used as the basis of valuation for early and development stage businesses. Under this method, the enterprise value is derived by multipling the normalised historical or projected revenue of the business with a multiple or range of multiples. The multiple or range of multiples applied should be an appropriate and reasonable indication of the value of each company, given the company's size, risk profile and growth prospects. The multiple or range of multiples is usually derived from market data observed for entities considered comparable to the companies being valued.

c. Financial Instruments

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

	30 June 2016	
	Carrying Amount $000	Fair Value $000
Financial assets:		
Cash and cash equivalents	27,784	27,784
Trade and other receivables	98	98
Financial assets	92,442	92,442
	120,324	120,324
Financial liabilities:		
Trade and other payables	2,776	2,776
	2,776	2,776

Note 18: Fair Value Measurement (continued)

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

	Fair Value Measurements at 30 June 2016 Using:		
Description	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	–	50,014	42,428
	–	50,014	42,428

	Fair Value Measurements at 30 June 2015 Using:		
Description	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 2 Fair Values

	Fair Value at 30 June 2016 $000	Valuation Techniques	Range of Unobservable Inputs
SiteMinder	31,288	Price of recent third party transaction	Price of recent third party transaction
Stackla	7,449	Price of recent third party transaction	Price of recent third party transaction
Straker Translations	4,576	Price of recent third party transaction	Price of recent third party transaction
Click Loans	4,000	Price of recent third party transaction	Price of recent third party transaction
Rezdy	2,701	Price of recent third party transaction	Price of recent third party transaction

There were no transfers between Level 1 and Level 2 for assets measured at fair value on a recurring basis during the year.

Note 18: Fair Value Measurement (continued)

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

	Fair Value at 30 June 2016 $000	Valuation Techniques	Significant Unobservable Inputs	Range of Unobservable Inputs
Viocorp	28,469	Cost plus accrued interest Revenue multiple	Interest on convertible notes Revenue multiple	3.0x – 6.0x
iPRO	8,459	Cost plus accrued interest Revenue multiple	Interest on convertible preference shares Revenue multiple	3.0x – 6.0x
SMI	5,500	Cost plus accrued interest Revenue multiple	Revenue multiple	2.0x – 5.0x

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

g. 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.

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

	Financial Assets $000
Opening balance	54,722
Transfers out to Level 2	(25,000)
Additions/purchases made during the period	6,000
Gains and losses recognised in profit or loss	4,705
Closing balance	40,427

A partial sell down of SiteMinder to a third party during the year resulted in a transfer of the SiteMinder financial asset from Level 3 to Level 2.

Note 19: Related Party Transactions

Remuneration paid or payable to key management personnel (KMP) of the Company during the period are $4,760,414 plus reimbursement of expenses of $118,248. 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 year ended 30 June 2016.

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 28-47, 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 2016 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 2016

HALL CHADWICK (NSW)

Chartered Accountants and Business Advisers

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
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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 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year 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 year.

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.

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 2016 and of its performance for the year 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 24 to 26 of the directors' report for the year ended 30 June 2016. 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 year ended 30 June 2016 complies with s 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

Drew Townsend
Partner
Dated: 19 August 2016

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 30 June 2016.

Holder Name	Ordinary Shares Held	% of Issued Shares
Washington H Soul Pattinson and Company Limited	20,000,000	19.83%
David Kirk	8,373,278	8.30%
Forsyth Barr Custodians Ltd	4,346,118	4.31%
HSBC Custody Nominees (Australia) Limited	4,209,183	4.17%
Paul Wilson	3,068,136	3.04%
Patagorang Pty Ltd	2,098,810	2.08%
Bond Street Custodians Limited	2,053,308	2.04%
Corom Pty Ltd	2,000,000	1.98%
RBC Investor Services Australia Pty Limited	1,827,957	1.81%
Macareus Pty Ltd	1,552,114	1.54%
Pepstock II Pty Ltd	1,435,274	1.42%
Yolo Limited	1,253,088	1.24%
Ladybird Limited	1,253,088	1.24%
JP Morgan Nominees Australia Limited	1,163,095	1.15%
Mr Ralph James Norris	1,071,109	1.06%
Mr Paul Anthony Kendrick	999,978	0.99%
Mr Paul Meehan	926,545	0.92%
Mr Jonathan George Edgar	911,487	0.90%
Mr Alan Charles Draper & Mrs Evelyn Beth Draper	800,000	0.79%
PAJ Lewis Superannuation Fund Pty Ltd	800,000	0.79%
Total	**60,142,568**	**59.64%**

Substantial Shareholders

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

	Ordinary Shares	Shares held under escrow until 20 Nov 2016
Washington H Soul Pattinson and Company Limited	20,000,000	–
David Kirk and associated entities	2,997,858	5,375,420

Distribution of Shares

Analysis of numbers of equity security holders, by size of holding as at 30 June 2016.

Holding	Numbers of Shareholders	Ordinary Shares Held	% of Issued Shares
1 – 1,000	54	35,809	0.04%
1,001 – 5,000	255	917,175	0.91%
5,001 – 10,000	252	2,232,248	2.21%
10,001 – 100,000	507	18,523,618	18.37%
100,001 and over	95	79,136,068	78.47%
	1,163	**100,844,918**	**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 2016 is 0.

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

8,236,357 ordinary shares 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 financial year.

Corporate 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
Andrew Bullock
Sankar Narayan
Heith Mackay-Cruise

Company Secretary
Helen Plesek

Manager
Bailador Investment Management Pty Ltd
Suite 908, Level 9
37 Bligh Street
Sydney NSW 2000
(AFSL 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
www.hallchadwick.com.au

Australian Stock Exchange Code
Shares : BTI

BAILADOR

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