

**Company Registration No. 03861293
(England and Wales)**

Callidus Software Limited

**Strategic Report, Report of the Directors and
Audited Financial Statements**

For the year ended 31 December 2014

THURSDAY



LD2 *L56C90S8* 05/05/2016 #56
COMPANIES HOUSE

Callidus Software Limited
Company Registration No. 03861293

Report and financial statements 2014

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

Callidus Software Limited
Company Registration No. 03861293

Report and financial statements 2014

Officers and professional advisers

Directors

L J Stretch
B L Corey
R M Oulman

Registered Office

First Floor, Holborn Gate
330 High Holborn London
WC1V 7QT

Registered Number

03861293
(England and Wales)

Independent Auditor

Deloitte LLP
Chartered Accountant & Statutory Auditor
Reading
United Kingdom

Callidus Software Limited
Company Registration No. 03861293

Strategic report

The directors present their strategic report for the year ended 31 December 2014.

Review of business

Callidus Software Limited, trading as CallidusCloud®, is a leading provider of cloud software. CallidusCloud enables organisations to accelerate and maximise their lead to money process with sales and marketing effectiveness cloud software, and provides associated hosting and implementation consulting services.

As reported in the financial statements, the company has reported turnover of £1,337,758 (2013: £1,423,072) and profit before interest and taxation of £154,458 (2013: £90,602).

Principal risks and uncertainties

The directors have overall responsibility for the establishment and oversight of the risk management framework, to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to continually monitor the risks and adherence to acceptable limits. Risk management policies and systems are reviewed regularly at group level to reflect changing market conditions and company activities.

Financial instruments

The company's financial instruments at the balance sheet date comprised loans from group undertakings and cash and liquid resources. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and foreign currency risk:

Interest rate risk

The company has a policy to manage any exposure to interest rate fluctuations so as to finance its operations through retained profits.

Liquidity risk

The company had significant net cash balances as at the balance sheet date.

Foreign currency risk

The company has financial instruments which are denominated exclusively in Euro and U S dollars. The gains and losses arising from the company's exposure to risk arising from its overseas operations are recognised in the profit and loss account.


Financial assets

The company has no financial assets other than short-term debtors and cash at bank.

Borrowing facilities

The company has no undrawn committed borrowing facilities.

On behalf of the Board


Roxanne Gorman
Director

4 May 2016

Callidus Software Limited
Company Registration No. 03861293

Directors' report

The directors present their audited report with the financial statements of the company for the year ended 31 December 2014.

Dividends

No dividends will be distributed for the year ended 31 December 2014 (2013: nil).

Directors

The directors who have held office during the period from 1 January 2014 to the date of this report are as follows:

L J Stretch
B L Corey
R M Oulman

Going concern

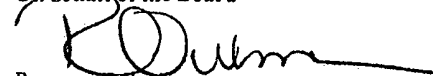
The directors have acknowledged the latest guidance regarding going concern. Whilst the current volatility in financial markets has created great uncertainty, the company continues trading as normal. The directors have considered the net asset position of £585,631 (2013: net liabilities of £392,169).

Callidus Software Inc, the company's ultimate parent company, has considerable financial resources, together with significant revenue streams across different geographic areas and industries and has expressed its willingness to continue to provide support to the company for the foreseeable future, and in particular for a period of at least twelve months from the date of these accounts. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence. Thus, they continue to adopt the going concern basis in preparing the annual report and accounts.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board


Roxanne Oulman
Director

4 May 2016

Callidus Software Limited
Company Registration No. 03861293

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Callidus Software Limited

We have audited the financial statements of Callidus Software Limited for the year ended 31 December 2014 on pages seven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

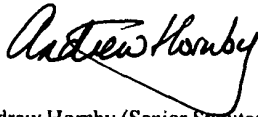
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Callidus Software Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Homby (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom

4 May 2016

Callidus Software Limited
Company Registration No. 03861293

Profit and loss account
For the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	1,337,758	1,423,072
Cost of sales		(228,842)	(231,564)
Gross profit		1,108,916	1,191,508
Administrative expenses		(4,060,157)	(3,293,056)
		(2,951,241)	(2,101,548)
Other operating income		3,105,699	2,192,150
Operating profit	4	154,458	90,602
Interest receivable and similar income	5	100	246
		154,558	90,848
Interest payable and similar charges	5	-	(2)
Profit on ordinary activities before taxation		154,558	90,846
Tax on profit on ordinary activities	6	46,247	(145,968)
Profit/(loss) for the financial year	12	108,312	(55,122)

Continuing operations

None of the company's activities were acquired or discontinued during the current year or previous year.

Total recognised gains and losses

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

The notes form part of these financial statements

Callidus Software Limited
Company Registration No. 03861293

Balance sheet
31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Intangible assets		-	17,223
Tangible assets	7	40,321	12,753
		<u>40,321</u>	<u>29,976</u>
Current assets			
Debtors	8	590,921	391,760
Cash at bank		627,479	121,712
		<u>1,218,400</u>	<u>513,472</u>
Creditors: amounts falling due within one year	9	(673,090)	(935,617)
Net current assets/(liabilities)		<u>545,310</u>	<u>(422,145)</u>
Total assets less current liabilities		<u>585,631</u>	<u>(392,169)</u>
Capital and reserves			
Called up share capital	11	50,000	50,000
Other reserves	11	869,488	-
Profit and loss account	12	(333,857)	(442,169)
Shareholders' funds		<u>585,631</u>	<u>(392,169)</u>

The financial statements were approved by the Board of Directors on 4 May 2016 and were signed on its behalf by:



Roxanne Oulman
Director

The notes form part of these financial statements

Callidus Software Limited
Company Registration No. 03861293

Notes to the financial statements
For the year ended 31 December 2014

1. Accounting policies

Basis of preparing the financial statements

These accounts have been prepared on a going concern basis since the parent undertaking, Callidus Software Inc., has undertaken to make sufficient funds available to enable the company to trade for a period of at least 12 months from the date of approval of these financial statements.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking, Callidus Software Inc., includes the company in its own published consolidated financial statements.

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Turnover

Turnover represents net invoiced consultancy services, excluding value added tax.

Going concern

The directors have acknowledged the latest guidance regarding going concern. Whilst the current volatility in financial markets has created great uncertainty, the company continues trading as normal. The directors have considered the net asset position of £585,631 (2013: net liabilities of £392,169).

Callidus Software Inc, the company's ultimate parent company, has considerable financial resources, together with significant revenue streams across different geographic areas and industries and has expressed its willingness to continue to provide support to the company for the foreseeable future, and in particular for a period of at least twelve months from the date of these accounts. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence. Thus, they continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue recognition

The company's revenue, which consists primarily of professional services and support, is recognised in accordance with US statement SOP 97-2: 'Software Revenue Recognition', as amended by SOP 98-9. SOP 97-2 generally requires revenue earned on software arrangements involving multiple elements (i.e. software products, upgrades/enhancements, customer support, installation, training, etc) to be allocated to each element based on the fair value of the elements by reference to evidence which is specific to the vendor. The revenue allocated to support is generally recognised rateably over the term of the support. Revenue allocated to service elements is generally recognised as the services are performed. If a vendor does not have evidence of the fair value for all the elements in a multiple element arrangement, all revenue from the arrangement is deferred until such evidence exists or until elements are delivered.

Pursuant of SOP 97-2, in software agreements where services are essential to the functionality of the software, the company has recognised the software license revenue for the entire arrangement using the percentage of completion method.

The effect on the financial statements of the use of the above policy rather than UK accounting policies has been considered and is deemed to be immaterial.

Callidus Software Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

1. Accounting policies (continued)

Intangible fixed assets

The costs relating to the translation of technical documentation are being amortised evenly over their estimated useful economic life of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	-	20% on cost
Computer equipment	-	33% on cost

Deferred tax

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Lease commitments

Rentals payable in respect of operating leases are charged on a straight line basis over the lease term to the profit and loss account.

Share based payments

The parent company, Callidus Software Inc., operates a share-based compensation plan and has granted share options and other share-based incentives to employees of the company. When these are exercised, the company recognises the fair value of the employee services received by the company, in exchange for the shares granted to its employees by the parent company, as an expense in the profit and loss account.

The grant of equity instruments by the parent company is treated as cash-settled, as the equivalent fair value expense is required to be reimbursed in full to the parent company.

Callidus Software Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

2. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2014 £	2013 £
United Kingdom	1,158,908	1,135,493
Europe	160,924	269,092
Other	17,926	18,487
	<u>1,337,758</u>	<u>1,423,072</u>

3. Staff costs

	2014 £	2013 £
Wages and salaries	2,529,383	1,937,453
Social security costs	319,112	251,446
Other pension costs	79,555	70,637
	<u>2,928,050</u>	<u>2,259,536</u>

The average monthly number of employees during the year was as follows:

	2014 £	2013 £
Sales and marketing	14	9
Client services and support	16	15
Finance and administration	1	1
	<u>31</u>	<u>25</u>

4. Operating profit

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation - owned assets	14,548	13,874
Translation of technical documentation amortisation	17,223	30,324
Auditors' remuneration	15,000	7,100
Foreign exchange differences	88	16,702
Operating leases - rent	65,116	48,049
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

Callidus Software Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

5. Interest receivable/(payable) and similar income/(charges)

	2014 £	2013 £
Interest receivable and similar income	100	246
Interest payable	-	(2)

6. Taxation

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2014 £	2013 £
Current tax:		
Overseas tax current	39,068	1,222
Total current tax	39,068	1,222
Deferred tax (credit)/charge	7,179	144,746
Tax on profit on ordinary activities	46,247	145,968

Factors affecting the tax charge/(credit)

The tax assessed for the year is lower than the standard-rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	154,558	90,846
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%)	30,911	18,169
Effects of:		
Excess depreciation over capital allowances	(6,997)	380
Non allowable expenditure	2,400	48,088
Other taxation adjustments	(29,631)	(64,972)
Tax losses brought forward	-	(107,284)
Tax losses carried forward	3,317	105,619
Overseas tax - current year	39,068	1,222
Current tax charge	39,068	1,222

Callidus Software Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

7. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2014	7,364	59,097	66,461
Additions	-	42,116	42,116
Disposals	(7,364)	-	(7,364)
At 31 December 2014	-	101,213	101,213
Depreciation			
At 1 January 2014	7,364	46,344	53,708
Disposals	(7,364)	-	(7,364)
Charge for the year	-	14,548	14,548
At 31 December 2014	-	60,892	60,892
Net book value			
At 31 December 2014	-	40,321	40,321
At 31 December 2013	-	12,753	12,753

8. Debtors: amounts falling due within one year

	2014 £	2013 £
Trade debtors	268,352	154,929
Amounts owed by group undertakings	-	9,683
Other debtors	12,801	20,297
VAT	18,829	2,555
Deferred tax asset	99,410	106,589
Prepayments and accrued income	191,529	97,707
	<u>590,921</u>	<u>391,760</u>

Amounts owed by group undertakings relate wholly to Callidus Software Inc., the ultimate parent company.

A deferred tax asset is recognised as it is considered likely that future profits of the company shall be in excess of taxable losses carried forward

Callidus Software Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

9. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	68,307	109,989
Amounts owed to group undertakings	-	435,622
Corporation tax	-	928
Other taxes and social security	124,987	79,684
Accruals and deferred income	479,796	309,394
	<u>673,090</u>	<u>935,617</u>

10. Operating lease commitments

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2014 £	2013 £
Expiring:		
Within one year	<u>76,800</u>	<u>76,800</u>

11. Called up share capital

	2014 £	2013 £
Authorised		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, issued and fully paid:		
50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

12. Reconciliation of movements in shareholders' funds

	Share capital £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 1 January 2014	50,000	-	(442,169)	(392,169)
Retained profit for the year	-	-	108,312	108,312
Capital contribution	-	869,488	-	869,488
At 31 December 2014	<u>50,000</u>	<u>869,488</u>	<u>(333,857)</u>	<u>585,631</u>

Callidus Software Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

13. Pension commitments

The company operates a defined contribution pension scheme. The pension cost for the period represents contributions payable by the company to the scheme and amounted to £68,045 (2013: £70,637). There were outstanding contributions at the year-end of £nil (2013: £nil).

14. Related party disclosures

The company's immediate and ultimate parent and controlling company is Callidus Software Inc., a company incorporated in the USA which is the parent undertaking of the largest group including the company and for which group accounts are prepared. Copies of the group financial statements are available from Corporate Headquarters, Callidus Software Inc., 6200 Stoneridge Mall Road, Pleasanton, CA 94588, USA.

As a wholly owned subsidiary of the group, the company has taken advantage of the exemption contained in FRS 8 and has not disclosed transactions with group entities as the parent company produces consolidated accounts which are publicly available.

15. Share-based compensation

The parent company, Callidus Software Inc., has granted share options and other share-based incentives to employees of the company. The full details of these option schemes are given in the consolidated accounts of Callidus Software Inc which are publicly available or may be obtained on request from Corporate Headquarters, Callidus Software Inc., 6200 Stoneridge Mall Road, Pleasanton, CA 94588, USA.

The weighted average share price, at the date of exercise, of options exercised during the year was \$5.89 per share for options granted to employees of the company.

During the year ended 31 December 2014, the total charge to the company for share based compensation expenses was £173,788 (2013: £178,045), which has been charged to the profit and loss account. These charges related to the value of shares in the parent company which were issued to company employees under share option and Restricted Stock Unit ("RSU") schemes.

No amounts have been recognised in the financial statements with regard to the value of options granted to employees of the company, but not exercised, as in the directors' opinion the value of such outstanding options is not material and its omission does not affect the view given by the financial statements.

Share option and incentive plans

In June 2013, the 2013 Stock Incentive Plan ("2013 Plan") became effective upon the approval of the parent company's board of directors and stockholders, and as a result, the 2003 Stock Incentive Plan ("2003 Plan") was expired and replaced. All outstanding shares available for grant under the 2003 Plan were expired upon the adoption of the 2013 Plan.

Under the 2013 plan, the parent company's board of directors (or an authorised subcommittee) may grant share options or other types of share awards, such as restricted stock, restricted stock units, stock bonus awards or stock appreciation rights. Incentive share options may be granted only to employees of group companies. Non-statutory stock options and other stock-based awards may be granted to employees, consultants or non-employee directors. These options vest as determined by the board of directors (or an authorised subcommittee), generally over four years. The restricted stock units also vest as determined by the board, generally over three years. The vesting period generally equals the requisite service period of the individual grantees.

Callidus Software Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

15. Share-based compensation (continued)

Share option and incentive plans (continued)

The parent company, Callidus Software Inc., has granted share options and other share-based incentives to employees of the company. The full details of these option schemes are given in the consolidated accounts of Callidus Software Inc which are publicly available or may be obtained on request from Corporate Headquarters, Callidus Software Inc., 6200 Stoneridge Mall Road, Pleasanton, CA 94588, USA.

The weighted average share price, at the date of exercise, of options exercised during the year was \$5.35 per share for options granted to employees of the company.

During the year ended 31 December 2014, the total charge to the company for share based compensation expenses was £173,788 (2013: £178,045), which has been charged to the profit and loss account. These charges related to the value of shares in the parent company which were issued to company employees under share option and Restricted Stock Unit ("RSU") schemes.

No amounts have been recognised in the financial statements with regard to the value of options granted to employees of the company, but not exercised, as in the directors' opinion the value of such outstanding options is not material and its omission does not affect the view given by the financial statements.

Share option and incentive plans

In June 2013, the 2013 Stock Incentive Plan ("2013 Plan") became effective upon the approval of the parent company's board of directors and stockholders, and as a result, the 2003 Stock Incentive Plan ("2003 Plan") was expired and replaced. All outstanding shares available for grant under the 2003 Plan were expired upon the adoption of the 2013 Plan.

Under the 2013 plan, the parent company's board of directors (or an authorised subcommittee) may grant share options or other types of share awards, such as restricted stock, restricted stock units, stock bonus awards or stock appreciation rights. Incentive share options may be granted only to employees of group companies. Non-statutory stock options and other stock-based awards may be granted to employees, consultants or non-employee directors. These options vest as determined by the board of directors (or an authorised subcommittee), generally over four years. The restricted stock units also vest as determined by the board, generally over three years. The vesting period generally equals the requisite service period of the individual grantees.

Callidus Software Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

16. Share-based compensation - valuation

Determination of Fair Value

The fair value of each restricted stock unit, relative performance and service-based awards, is estimated based on the market value of the parent company's shares on the date of grant and the average historical forfeiture rate. The fair value of the performance award assumes that performance goals will be achieved. If such goals are not met, no compensation cost is recognised and any recognised compensation cost is reversed.

The fair value of each share option is estimated on the date of grant and the fair value of each Employee Stock purchase Plan ("ESPP") share is estimated on the beginning date of the offering period using the Black-Scholes-Merton valuation model and the assumptions noted in the following table:

	2014	2013
Share Option Plans		
Expected life (in years)	5.0 to 6.1	5.0 to 6.1
Risk-free interest rate	1.41% to 1.93%	1.41% to 1.93%
Volatility	61% to 63%	61% to 63%
Dividend yield	nil	nil
Employee Stock Purchase Plan		
Expected life (in years)	0.5 to 1.0	0.5 to 1.0
Risk-free interest rate	0.05% to 0.12%	0.08% to 0.17%
Volatility	47% to 59%	41% to 62%
Dividend yield	nil	nil

Expected Dividend Yield - The parent company has never paid dividends and does not expect to pay dividends.

Risk-Free Interest Rate - The risk-free interest rate was based on the implied yield currently available on U.S. Treasury zero-coupon issues with a remaining term equivalent to the expected term.

Expected Term - Expected term represents the period that the Company's stock-based awards are expected to be outstanding. The parent company's assumptions about the expected term have been based on historical experience, giving consideration to the contractual terms of the share-based awards, vesting schedules and expectations of future employee behaviour as influenced by changes to the terms of its share-based awards. The expected term for share options was estimated using the simplified method allowed under SEC guidance.

Expected Volatility - Expected volatility is based on the historical volatility over the expected term.

Forfeiture Rate - The parent company estimates its forfeiture rate based on an analysis of its actual forfeitures and will continue to evaluate the adequacy of the forfeiture rate based on actual forfeiture experience, analysis of employee turnover behaviour, and other factors. The impact from a forfeiture rate adjustment will be recognised in full in the period of adjustment, and if the actual number of future forfeitures differs from that estimated by the Company, the Company may be required to record adjustments to share-based compensation expense in future periods.