

Bailador Technology Investments [ASX:BTI] Shareholder Update

About Bailador

Bailador Technology Investments is a growth capital fund focused on the information technology sector, actively managed by an experienced team with demonstrated sector expertise.

Bailador provides exposure to a portfolio of information technology companies with global addressable markets. We invest in private technology companies at the expansion stage.

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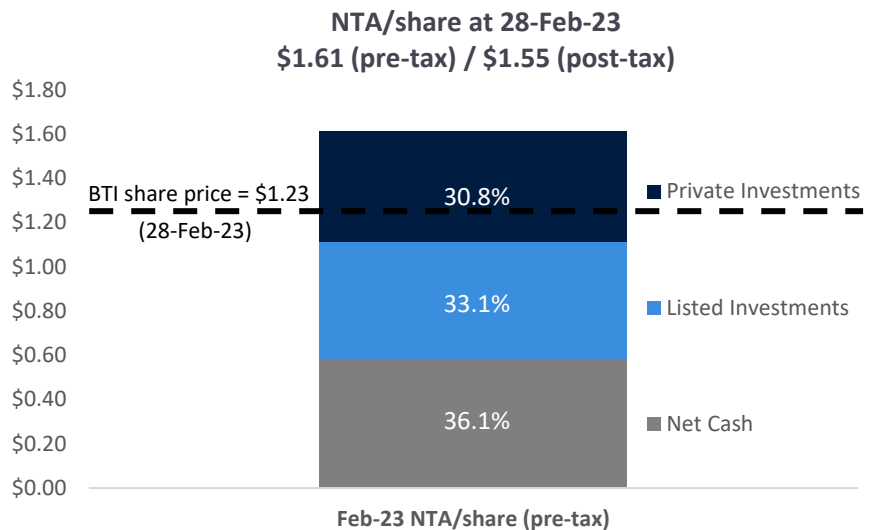
Notes:

¹Portfolio return calculated as the compound annual growth in NTA per share (pre-tax) plus dividends paid.

²Shareholder return calculated as the compound annual growth in BTI share price plus dividends paid.

This report was authorised for release to the ASX by Helen Foley, Company Secretary & Chief Financial Officer, on 8 March 2023.

Net Tangible Asset Snapshot



Fund Performance

Annual returns to 28 Feb 2023	1-Year	2 Years	3 Years
Portfolio Return (%pa) ¹	-4.4%	8.7%	10.7%
Shareholder Return (%pa) ²	9.8%	-4.8%	12.7%
Performance vs Benchmark			
S&P ASX All Tech Index [ASX:XTX]	-4.8%	-9.3%	+7.0%
Shareholder Return vs Benchmark	+14.7%	+4.5%	+5.7%

Notes: Refer left margin.

Founders' Commentary

The essential ingredient in franking credits – payment of tax

The final stage in the implementation of Bailador's fully franked dividend of 4%pa of pre-tax NTA has completed this month with the payment of income tax.

Bailador completed the payment of \$30.4m in income tax this month. The payment of income tax impacts our reported NTA numbers by dropping the pre-tax NTA per share 21 cents per share but does not impact our post-tax NTA per share. The difference between Bailador's pre-tax and post-tax NTA has reduced from 26 cents per share in January to six cents per share at the end of February.

BTI's NTA per share (pre-tax) at close of February 2023 was \$1.61 (January \$1.79). A reconciliation of movements is below.

Movement in NTA per share (pre-tax) February 2023

Payment of FY22 income tax	-21.1c per share
Increase in SiteMinder (ASX:SDR) share price to \$4.10 (January 2023 \$3.76)	3.9c per share
Decrease in Straker Translations (ASX:STG) share price to \$0.90 (January 2023 \$0.92)	-0.1c per share
Other operating expenses (including provision for performance fee)	-0.7c per share

In May 2022 Bailador completed full realisations of two of our investments, Instaclustr and Standard Media Index. Combined with the partial cash realisation of SiteMinder in November 2021 and with all realisations having generated strong gains, Bailador recorded taxable profits sufficient to incur a \$30.4m tax bill and provide certainty around our franking position.

The certainty around our tax position led us to do two things. Firstly, be transparent and clearly communicate with our shareholders. From May 2022 onwards, readers of our shareholder update will know we have highlighted the pending payment of tax and its impact on our NTA per share in every shareholder update. Secondly, review our capital position and implement a new dividend policy. We moved to start paying fully franked dividends immediately, announcing our [dividend policy](#) on 1 June 2022 and our first fully franked dividend (7.4 cents per share, 3.7 cents of which was a special dividend) on 15 August 2022. We've just paid our second fully franked dividend under the policy (3.5 cents per share) on 2 March 2023 and shareholders will see the impact on NTA per share of the payment of this dividend in our March 2023 shareholder update.

Australian shareholders are generally very aware of how valuable franking credits can be. Corporate tax is not lost to the shareholder if the company is in a position to pay franked dividends, as shareholders can claim the tax paid on company profits so they are not taxed twice. Bailador paid 21 cents per share (pre-tax) to the ATO this month and we have already paid shareholders 10.9 cents per share in dividends with 4.7 cents of attached franking credit value. At the share price of \$1.215 on 7th March, the dividend BTI paid last week under its dividend policy provided shareholders with an annualised yield of 5.8%, or 8.2% grossed up for franking credits.

As we wrote last month, following the payment of our interim dividend and the payment of tax, we have additional franking credits equivalent to \$0.38 per share, or five years of fully franked dividends at the rate we have just paid. The remaining six cents per share difference between pre-tax NTA and post-tax NTA referenced earlier represents the tax on unrealised gains embedded in the portfolio. As the gains in the portfolio continue to grow, the gap between pre and post-tax will widen again. On realisations we will likely pay income tax, generate more franking credits and continue to return those franking credits to you by way of our regular dividend. The dividend policy is sustainable and provides investors the confidence of regular tax efficient returns.

David Kirk & Paul Wilson
Bailador Co-Founders

Highlights

Movement in NTA

As noted in the founder's commentary, BTI's NTA per share (pre-tax) at close of Feb 2023 was \$1.61 (January 2023 \$1.79). Key movements in NTA are discussed in the founder's commentary.

SiteMinder

SiteMinder [released its half year results for FY23](#). Highlights included annualised recurring revenue up 30.1%, and total revenue up 30.4% to \$71.7m.

The [Australian Financial review reported that SiteMinder returned to its pre-pandemic growth](#). CEO Sankar Narayan spoke to Yolanda Redrup following the HY results announcement.

InstantScripts

InstantScripts founder [Dr Asher Freilich spoke to 7News](#) about proposed changes to telehealth services.

Nosto

Nosto [announced it closed a US\\$16m funding round](#) led by Helsinki-based Mandatum Asset Management's Growth Equity team (MAM GE). The capital will be used to scale Nosto's new personalised site search solution globally, accelerating its mission to make every online impression relevant.

Bailador has reviewed the valuation implied by the recent funding round, and it is in line with our current carrying value. As a result, BTI will keep its carrying value for Nosto flat, but note that it is now a third party event valuation.

Nosto [announced the launch of its newest technology and latest product in its experience platform for online brands: ecommerce site search](#). The product will help retailers empower online product discovery and personalisation. Nosto's Search is now available for all online retailers, agnostic of their ecommerce platform. Nosto customers include global brands such as Muji, Paul Smith, Pangaia, Dermalogica, FIGS, SikSilk and Todd Synder.

Bailador

Bailador paid a fully franked dividend of 3.5 cents per share to shareholders on 2 March 2023. The payment of this dividend will be reflected in the March 2023 shareholder update.

Important Notice

Bailador Investment Management Pty Ltd ACN 143 060 511 ('Manager') has prepared the information in this announcement. This announcement has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in BTI, nor does it constitute financial product or investment advice, nor take into account your investment, objectives, taxation situation, financial situation or needs. Any investor must not act on the basis of any matter contained in this announcement in making an investment decision but must make its own assessment of BTI and conduct its own investigations and analysis. Past performance is not a reliable indicator or future performance.

¹The Board reserves the right to amend or suspend the Dividend Policy at any time and neither the Company nor the Board gives any representation, assurance or guarantee that any estimate or forecast or statement of intention in the Dividend Policy will be achieved.

BTI Portfolio Net Tangible Asset Summary

	Valuation (\$'m)	Gain (%)		NTA per share (\$)	Third Party Event Valuation	Next Valuation Review ¹
SiteMinder	68.5	423%	▲	0.48	✓	Mark to market each month end
InstantScripts	24.4	21%	▲	0.17	✓	August 2023
Access Telehealth	15.6	0%	▶	0.11	✓	December 2023
Rezdy	14.8	55%	▲	0.10	✓	October 2023
Nosto	9.2	(19%)	▼	0.06	✓	February 2024
Straker Translations	8.2	(10%)	▼	0.06	✓	Mark to market each month end
Mosh	7.5	0%	▶	0.05	✓	December 2023
Cash	80.3			0.56		
Other ²	3.5			0.02		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	232.0			1.61		

Denotes change to valuation in current month

Denotes valuation review in next six months

¹ Next valuation review date refers to the date of the next formal valuation review. Valuation events can also occur in a shorter time frame where there is a third-party investment or a valuation change material to BTI.

² Includes provision for performance fee.

Please Note: Figures in this report are unaudited and exclude tax. The current value for each investment in the table above is consistent with the BTI investment valuation policy, which may be found in the BTI prospectus lodged with ASIC on 3rd October 2014 and available on the ASX website.

Portfolio Company Details



Name:	SiteMinder	InstantScripts	Access Telehealth	Rezdy
Type:	SaaS/B2B	Digital Healthcare/B2C	Digital Healthcare/B2C	SaaS
About:	World leader in hotel channel management and distribution solutions for online accommodation bookings	Digital platform enabling convenient access to high quality doctor care and routine prescription medication	Specialist telehealth platform connecting Australian communities to high-quality healthcare	Leading, innovative and fast growing online channel manager and booking software platform for tours & activities
HQ:	Sydney	Melbourne	Melbourne	Sydney
Staff:	750-1000	1-50	100-250	100-250



Name:	Nosto	Straker Translations	Mosh
Type:	SaaS/B2B	Marketplace/Machine Learning	Digital Healthcare/B2C
About:	Leading AI-powered e-commerce personalisation platform	Digital language translation services provider and one of the world's fastest growing translation companies	Digital healthcare brand making men's health and wellness easily accessible via subscription treatment plans
HQ:	Helsinki	Auckland	Sydney
Staff:	100-250	250-500	1-50