

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.

Contact Bailador

✉ Bailador Technology Investments
Level 20, 20 Bond Street
Sydney NSW 2000

☎ +61 2 9223 2344

✉ investorservices@bailador.com.au

Connect to Bailador

in [Bailador Technology Investments](#)

🌐 www.bailador.com.au

Subscribe to Bailador

📧 [Click here to sign up for updates](#)

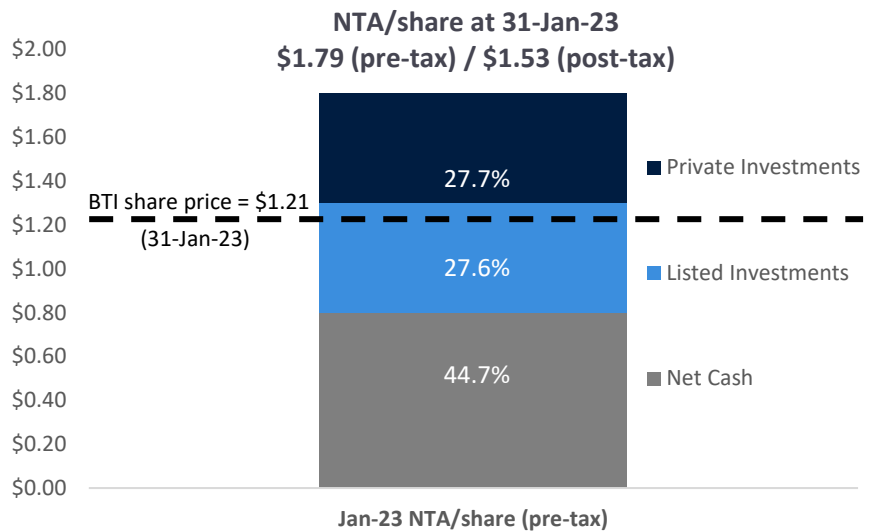
Notes:

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 10 February 2023.

Net Tangible Asset Snapshot



Fund Performance

Annual returns to 31 Jan 2023	1-Year	2 Years	3 Years
Portfolio Return (%pa) ¹	4.2%	16.1%	13.9%
Shareholder Return (%pa) ²	4.1%	0.7%	7.2%
Performance vs Benchmark			
S&P ASX All Tech Index [ASX:XTX]	-12.6%	-12.8%	+0.9%
Shareholder Return vs Benchmark	+16.7%	+13.5%	+6.4%

Notes: Refer left margin.

Founders' Commentary

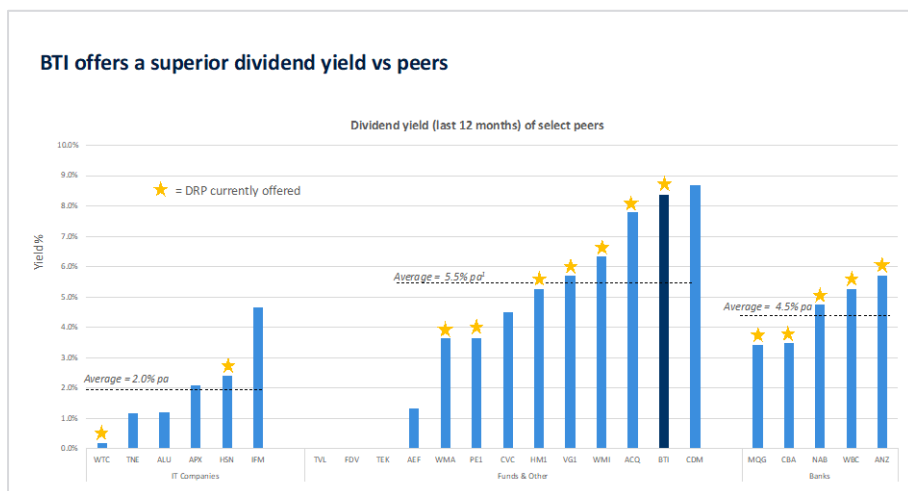
Bailador Fully Franked Dividend – Annualised Yield 5.4% (7.7% grossed up for franking)

In accordance with our stated policy of paying regular ongoing dividends, Bailador Technology Investments Ltd has declared an interim dividend of 3.5c per share to be paid in March. Based on the BTI share price of \$1.30 on 7th February, this implies an annualised yield of 5.4%, which is 7.7%pa when grossed up for franking credits, making BTI one of the higher yielding shares on the ASX.

The interim dividend of 3.5c per share follows an ordinary dividend paid in September 2022 of 3.7c per share, and a special dividend also paid in August 2022 of 3.7c per share, bringing the total dividends declared or paid in the last 12 months to 10.9c per share.

The interim dividend represents a continuation of the stated policy of paying a fully franked on-going dividend of 4% pa of pre-tax NTA (paid semi-annually). Bailador stated that we would pay a regular ongoing dividend twice per year, and that is what is being actioned. Bailador has additional franking credits of \$24m (corresponding to dividends of \$0.38 per share, or over five years of dividends at the rate we have just announced) and a cash balance of over \$100m, underpinning the long term sustainability of this policy.

The implied annualised cash yield of 5.4% pa, or 7.7% when grossed up for franking credits, places Bailador at the top tier of dividend paying shares listed on the ASX. The chart below compares the BTI dividend to a selection of tech focused companies, funds, as well as banks typically regarded as 'yield' shares.



Source: Koyfin, CommSec. Data presented is LTM dividend yield. Updated to 7 February 2023. Note: ¹Excludes non-dividend paying companies of TVL, FDV and TEK.

Dividends are a particularly important component of investment returns for many Australian investors due to the Australian taxation system of companies paying tax, then passing on the benefit of that tax paid in the form of franking credits. As most Australian technology companies do not pay a dividend, it is one of the reasons why tech companies comprise a tiny proportion of the market in Australia (2.6% of ASX 200) compared to the US (26% of S&P 500).

Through BTI’s policy of paying ongoing dividends franked to the maximum extent possible, investors get the combined benefit of:

- Ongoing Cash Yield
- Tax benefit of the cash income stream being franked
- Exposure to a high growth tech portfolio (portfolio revenue grew at 72% in CY2022)

The regular dividend payment has the effect of bringing forward and regularising shareholder cash returns. It takes time for new investments to grow and for cash to be realised on those investments. Some of the cash we have recently generated can be used to underwrite consistent shareholder returns while we work to mature and realise new investments.

Bailador is committed to our policy of paying an ongoing cash dividend, and sharing the benefit of tax paid with our investors. With an established quality portfolio of high growth technology companies, significant cash balance (over \$100m cash), and consistent review of new growth opportunities, Bailador remains an investment for shareholders seeking long term capital appreciation. The largest component of BTI investor returns is planned to continue to come from growth in the value of the companies we invest in on your behalf.

David Kirk & Paul Wilson
Bailador Co-Founders

Highlights

Investment Focus

Bailador typically invests \$5 - 20 million in businesses within the technology sector that are seeking growth stage investment.

Companies we invest in typically share the following characteristics:

- Run by the Founders
- Two to six years in operation
- Proven business model with attractive unit economics
- International revenue generation
- Huge market opportunity
- Ability to generate repeat revenue

Important verticals we seek to invest in within the technology sector include: SaaS and other subscription-based internet businesses, online marketplaces, software, e-commerce, high value data, online education, telecommunication applications and services.

Movement in NTA

BTI's NTA per share (pre-tax) at close of January 2023 was \$1.79 (December 2022 \$1.73). Key movements in NTA per share during January were:

Portfolio valuations	
Increase in SiteMinder (ASX:SDR) share price to \$3.76 (December 2022 \$3.04)	8.4c per share
Decrease in Straker Translations (ASX:STG) share price to \$0.92 (December 2022 \$1.10)	-1.1c per share
Other operating expenses	-1.3c per share

Throughout FY22, Bailador completed the realisations of Instaclustr and Standard Media Index. The realisations have crystallised taxable gains and provide certainty around tax payable on the gains. The tax payable is expected to be paid in February 2023 and is estimated to move ~21 cents per share from pre-tax NTA to the company's franking account allowing the company to pay fully franked dividends.

SiteMinder

SiteMinder [released its quarterly cash flow report for the period ending 31 December 2022](#). SiteMinder reported unaudited H1FY23 revenue of \$71.7m, up 30.4% versus H1FY22. SiteMinder ended H1FY23 in a strong position with ARR of \$143.5m (up 30.1% over 12 months), available liquidity totalling \$97.6m, and reiterated guidance of achieving free cash flow breakeven by Q4FY24.

SiteMinder was [crowned the world's leading hotel commerce platform at the 2023 HotelTechAwards](#). SiteMinder won nine major awards including Best Hotel eCommerce Platform, a new category recognising the best all-in-one solution for hoteliers to accelerate their business growth online. SiteMinder was also named Best Channel Manager for the fourth consecutive year, and Best Booking Engine for the second consecutive year.

[Trent Innes joined SiteMinder as Chief Growth Officer](#). Trent has more than 20 years' experience growing large businesses across the technology industry. He was previously the Managing Director of Xero Australia and Asia, and held senior roles at Microsoft Australia and Infor. Trent was named IT and Telecommunications Executive of the Year and Managing Director of the Year at CEO Magazine's 2017 Executive of the Year Awards.

InstantScripts

Dr Michael Levitt, Board Director for InstantScripts, was awarded a Member of the Order of Australia in recognition of his significant service to medical administration, and to professional associations. The Bailador team would like to congratulate Dr Levitt on his very well-deserved honour.

Access Telehealth

Access Telehealth's December 2022 capital raise was well supported by shareholders and closed oversubscribed. Bailador received a final allocation of \$3.1m. The carrying value of Access Telehealth has been increased to \$15.6m to incorporate the new \$3.1m investment.

Straker Translations

Straker Translations [released its Q3 FY23 quarterly update](#) in which it announced revised revenue growth guidance of 7 – 11%, down

from 20%, and the achievement of \$5m of annualised cost savings. A delay in a key IBM localisation initiative and general macroeconomic uncertainty drove the softer revenue guidance.

MOSH Mosh

Mosh [extended its sponsorship of St Kilda Football Club for another year](#). As a Major Partner for 2023, the Mosh logo will be front and centre on the neckline of the Saint's men's home and away guernseys.

Bailador

Following on from last month's shareholder update, David Kirk [spoke to Nick Bonyhady at the Sydney Morning Herald](#) about why Bailador did not invest in any new investee companies in 2022.

Bailador released its interim results for the half-year to 31 December 2022 (HY23) to the ASX and [declared an Interim Dividend](#) of 3.5c per BTI share fully franked, equivalent to an annualised yield of 5.4% (7.7% yield when grossed up for franking credits). [Click here to read Bailador's HY23 Media Release](#), [click here to read the Results Presentation](#) and [click here to read the Interim Financial Statements](#).

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	62.8	393%	▲	0.44	✓	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		June 2023
Straker Translations	8.4	(9%)	▼	0.06	✓	Mark to market each month end
Mosh	7.5	0%	▶	0.05	✓	December 2023
Cash	113.7			0.79		
Other ²	1.6			0.01		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	258.0			1.79		

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