

# 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

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## Connect to Bailador

in [Bailador Technology Investments](#)

🌐 [www.bailador.com.au](http://www.bailador.com.au)

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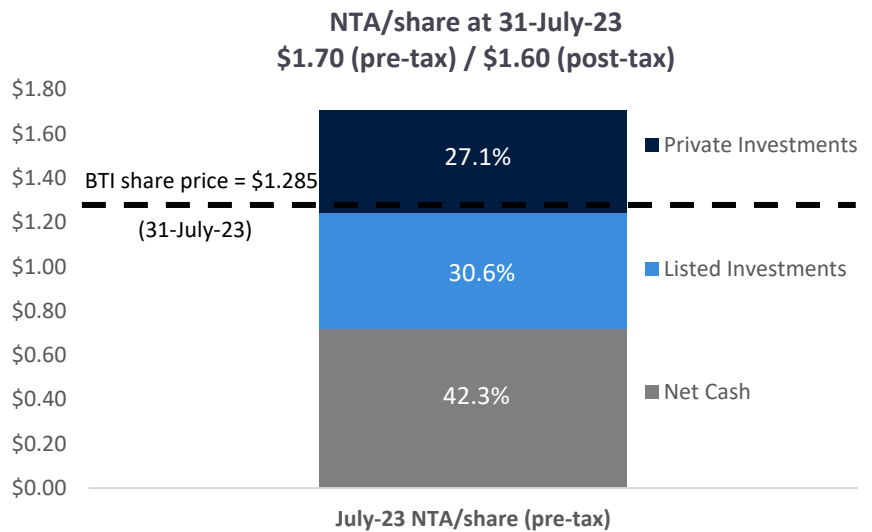
Notes:

<sup>1</sup>Portfolio return post-tax calculated as the compound annual growth in NTA per share (post-tax) plus dividends paid.

<sup>2</sup>Shareholder 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 August 2023.

## Net Tangible Asset Snapshot



## Fund Performance

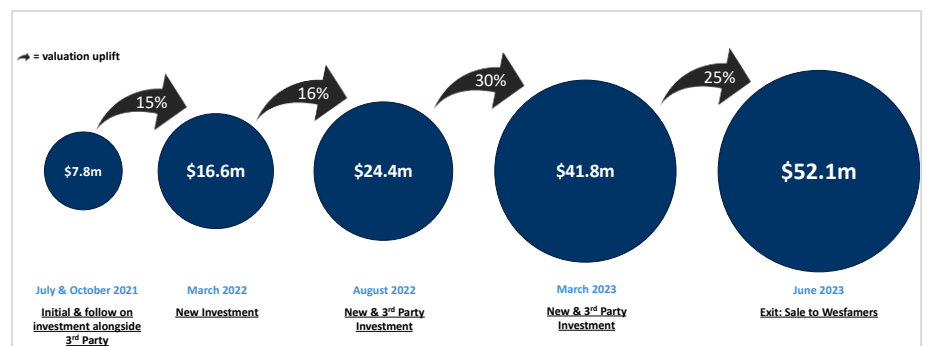
Annual returns to 31 July 2023	1-Year	2 Years	3 Years
Portfolio Return post-tax (%pa) <sup>1</sup>	3.8%	13.0%	14.8%
Shareholder Return (%pa) <sup>2</sup>	-2.7%	7.7%	18.6%
<b>Performance vs Benchmark</b>			
S&P ASX All Tech Index [ASX:XTX]	17.2%	-4.1%	5.3%
Shareholder Return vs Benchmark	-19.8%	+11.8%	+13.3%

Notes: Refer left margin.

## Founders' Commentary

### InstantScripts just the medicine required

Bailador has completed the \$52m cash realisation in July of its investment in InstantScripts. The investment generated a 62% IRR, with the cash realised at a valuation 25% higher than carrying value. Bailador initially invested \$5.5m, followed by a further \$24.7m in follow on investments, demonstrating our conviction in this terrific business.



There are many lessons from the rich experience of investing in, and helping to grow, the business of InstantScripts. In the short space of a Founders' Commentary, we call out a few of the standout features.

**Good for the consumer.** The InstantScripts service allowing consumers to access routine prescriptions more easily, and to have online medical consultation, was

mightily embraced by consumers. InstantScripts has already helped over 600,000 patients access quality affordable healthcare.

**Great Product Market Fit.** The level of ‘word of mouth’ recommendations to other consumers, and high return usage of the service are strong evidence that InstantScripts has struck a chord with the public.

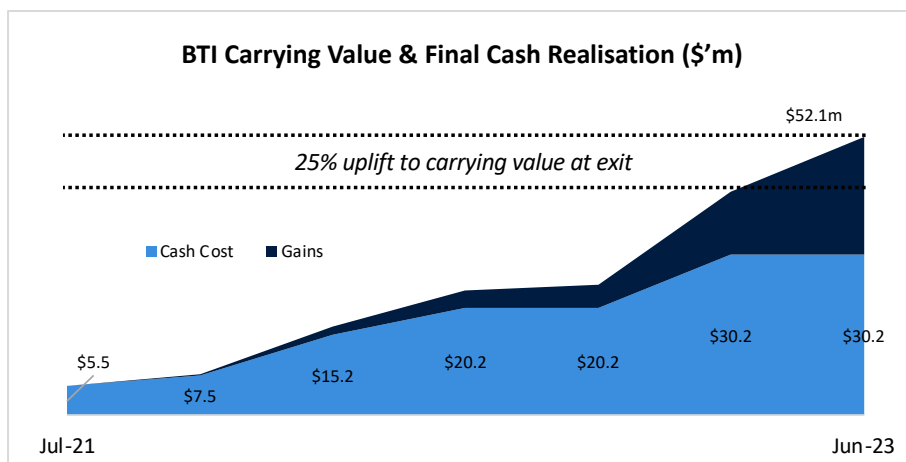
**Good for the healthcare system.** The service is based on payment direct from consumers, not from government subsidies. The InstantScripts service got traction by allowing doctors to more quickly deal with routine scripting for a subset of Schedule 4 non-addictive medications, freeing more time for in person consultations, which remain the gold standard of medical care in Australia. By allowing more efficient consultation, the service helps to alleviate the serious shortage of GPs in Australia.

**Continuing to thrive.** The new owners of InstantScripts, Australian Pharmaceutical Industries (owned by Wesfarmers), operate in the healthcare industry, have significant scale, and are great custodians to take the business forward.

**Full cash realisation at a challenging time.** At a time of some high profile mis-steps in the venture and expansion capital sector, the fact that InstantScripts was acquired by a knowledgeable buyer in a substantial all cash transaction is testimony to the quality of business that InstantScripts has become.

**Shorter hold period.** We feel that the business is set up well for long term success, and would have been happy to hold our investment longer. However some other shareholders felt that an exit was what they wanted. In a difficult decision, on balance we agreed to exit, meaning that while the IRR on investment is strong, the multiple of investment cost is not as high as we usually seek.

**Realisation of cash above carrying value.** As is Bailador’s intention, the investment in InstantScripts was carried at conservative valuations throughout our period of involvement, ultimately being realised at a valuation 25% above carrying value.



**Repeating track record of realising cash above carrying value.** This is now the twelfth full or partial cash realisation of portfolio company investments for Bailador. All have been above carrying value. This is the 34th third party transaction involving a portfolio company. All third party transactions have been at or above carrying value. This track record is substantial compelling evidence that Bailador values its investments conservatively, and that there is likely further upside to come from our stated NTA at any given time.

**Co-operation with a Great Team.** Having worked with a wide range of colourful founders and management teams along our journey, we can say that the InstantScripts founder Dr Asher Freilich and the senior leadership team of Richard Skimin, Rick Bourke and Maxim Shkylar, with a diverse complimentary set of skills, were amongst the most passionate, smart, and fun teams that we have had the pleasure to work with.

Quoting Dr Freilich from a note to stakeholders upon sale of the business:

*"I must single out Paul Wilson from Bailador who showed unshakeable conviction in the business model from day one and was prepared to double down on his investment a number of times. I reached out to him often for advice which he offered readily. It was always insightful and full of clarity."*

We value the experience we have had with the InstantScripts team, and the investment gains that have been generated for Bailador shareholders. We hope to have many more like it.

**David Kirk & Paul Wilson**  
Bailador Co-Founders

### **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 of future performance.

## 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 July 2023 was \$1.70 (June 2023 \$1.59). Key movements in NTA are noted below.

#### Movement in NTA per share (pre-tax) June 2023

Increase in SiteMinder (ASX:SDR) share price to \$4.21 (June 2023 \$2.92)	14.9c per share
Decrease in Straker Translations (ASX:STG) share price to \$0.57 (June 2023 \$0.67)	-0.6c per share
Operating expenses and interest	-3.3c per share

Operating expenses include provision for performance fee not yet payable.

#### SiteMinder [ASX:SDR]

SiteMinder released its [Q4FY23 Activities report](#) and a [trading update](#) to the market. Highlights included a 31% increase in revenue YoY to \$151.4m in FY23, and underlying operating cash flow turned neutral in Q4 FY23. SiteMinder also brought forward its guidance to become underlying free cash positive in H2 FY24, ahead of prior guidance of Q4 FY24.

The Australian Financial Review [reported that SiteMinder shares rose more than 20% following the announcement.](#)

#### Rezdy

Following BTI's previous ASX release confirming the sale agreement of Rezdy with a US PE Fund, Rezdy announced it has merged with Checkfront. Rezdy CEO Chris Atkin and Checkfront CEO Jason Morehouse spoke to Arival about the deal and their future plans.

Phocuswire reported that the merger was "the largest and most significant deal since 2018 when Booking.com acquired FareHarbor and TripAdvisor acquired Bokun".

Rezdy announced a [partnership with Indexic](#), an innovative tour and activity reservation software provider. Indexic customers now have access to Rezdy's distribution network – the largest in the industry – and its innovative Channel Manager tools.

#### Nosto

Damien Mahoney, Nosto's Chief Strategy Officer, [wrote for NewDigitalAge](#) about the importance of having a user-generated content (UGC) strategy.

Antanas Bakšys, Head of Search at Nosto, was [interviewed by MarTech Cube](#) about his industry insights and the projects he is working on at Nosto.

#### Straker Translations [ASX:STG]

Straker released its [Q1FY24 activities report](#) to the market. Highlights include revenue slightly higher, increased gross margins elevated along with continued EBITDA profitability and Free Cash Flow generation.

Straker's integration with workplace communication apps Slack and Microsoft Teams are now live enabling enterprises to work seamlessly with Straker's LanguageCloud platform.

#### Bailador

Bailador's [latest column with Stockhead](#) looks at BTI's investment approach and what we look for in new portfolio companies. The column was also published in The Australian.

**Date of Annual General Meeting and closing date for Director Nominations**

Bailador will be holding its Annual General Meeting on 2 November 2023. Details of the meeting will be advised in the Notice of Meeting to be sent to shareholders closer to the time.

For the purposes of ASX Listing Rule 3.13.1 and under listing rule 14.3 Bailador advises the closing date for nominations for directors will be 13 September 2023.

Nominations may only be made by a shareholder entitled to attend and vote at the Annual General Meeting and should be accompanied by consent in writing of the person nominated and contain sufficient information to enable shareholders to make an informed decision as to whether or not to elect the candidate.

Nominations should be addressed to Bailador's Company Secretary, Helen Foley, and may be emailed to [investorservices@bailador.com.au](mailto:investorservices@bailador.com.au) or posted to Bailador Technology Investments Limited at Suite 3 Level 20, 20 Bond Street, Sydney NSW 2000.

## BTI Portfolio Net Tangible Asset Summary

	Valuation (\$'m)	Gain (%)		NTA per share (\$)	Third Party Event Valuation	Next Valuation Review <sup>1</sup>
SiteMinder	70.4	433%	▲	0.49	✓	Mark to market each month end
Rezdy	24.9	98%	▲	0.17	✓	May 2024
Access Telehealth	15.6	0%	▶	0.11	✓	December 2023
Rosterfy	9.8	0%	▶	0.07	✓	April 2024
Nosto	9.2	(18%)	▼	0.06	✓	February 2024
Mosh	7.5	0%	▶	0.05	✓	December 2023
Straker Translations	5.2	(34%)	▼	0.04	✓	Mark to market each month end
Cash	108.4			0.75		
Other <sup>2</sup>	(4.2)			(0.04)		
<b>Net Asset Value / Net Asset Value Per Share (Pre Tax)</b>	<b>246.8</b>			<b>1.70</b>		

Denotes change to valuation in current month

Denotes valuation review in next six months

<sup>1</sup> 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.

<sup>2</sup> Includes provision for performance fee not yet payable.

**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 3<sup>rd</sup> October 2014 and available on the ASX website.

## Portfolio Company Details



Name:	SiteMinder	Rezdy	Access Telehealth	Rosterfy
Type:	SaaS/B2B	SaaS	Digital Healthcare/B2C	SaaS/B2B
About:	World leader in hotel channel management and distribution solutions for online accommodation bookings	Leading, innovative and fast growing online channel manager and booking software platform for tours & activities	Specialist telehealth platform connecting Australian communities to high-quality healthcare	Volunteer management software platform that connects communities to events and causes they are passionate about
HQ:	Sydney	Sydney	Melbourne	Melbourne
Staff:	750-1000	100-250	100-250	1-50



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

# Full realisation of InstantScripts in July 2023 delivered \$52m cash at 62% IRR

**\$30.2m**  
cash invested

**\$52.1m**  
cash realised

**62%**  
internal rate of return

**25%**  
Uplift at cash realisation

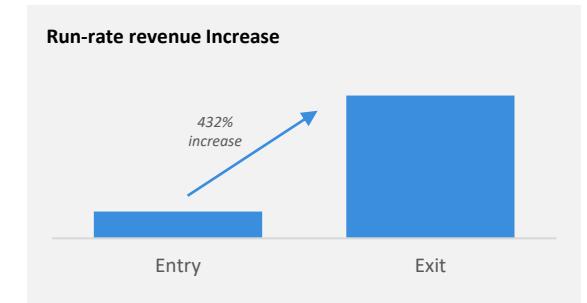
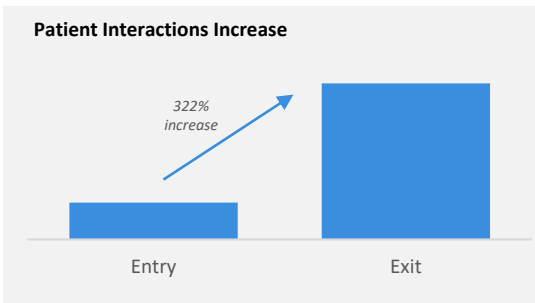
## Business Overview

- InstantScripts delivers consumers convenient access to high quality doctor care in a safe, secure and clinically responsible manner
- The platform's express prescription service enables consumers to access doctor-approved routine prescription medication in minutes
- Consumers can also access live medical advice via telehealth consultations
- Service underpinned by doctor-designed clinical questionnaires that streamlines the patient eligibility process before a doctor-approved prescription is provided

## Investment Thesis

- Compelling product-market-fit – loved by consumers
- Producing improved health outcomes and benefitting the health system
- Emerging market growing rapidly with attractive structural tailwinds
- Strong competitive position with fantastic user experience
- Attractive unit economics, customer scale and a strong track record of revenue growth/profitability
- Clear strategies for growth in Australia along with international expansion opportunities
- Experienced management team highly invested alongside Bailador

## Business Performance



## Investment Outcome

- Exit to Wesfarmers Ltd for cash, a leading Australian conglomerate, in an uncertain equity market
- Investment thesis very much validated with top quartile 62% IRR return; hold period shorter than expected
- Successful follow-on investment strategy that enhanced return profile
- Net cash proceeds 25% higher than carrying value prior to sale

## BTI Carrying Value & Final Cash Realisation (\$'m)

