

## 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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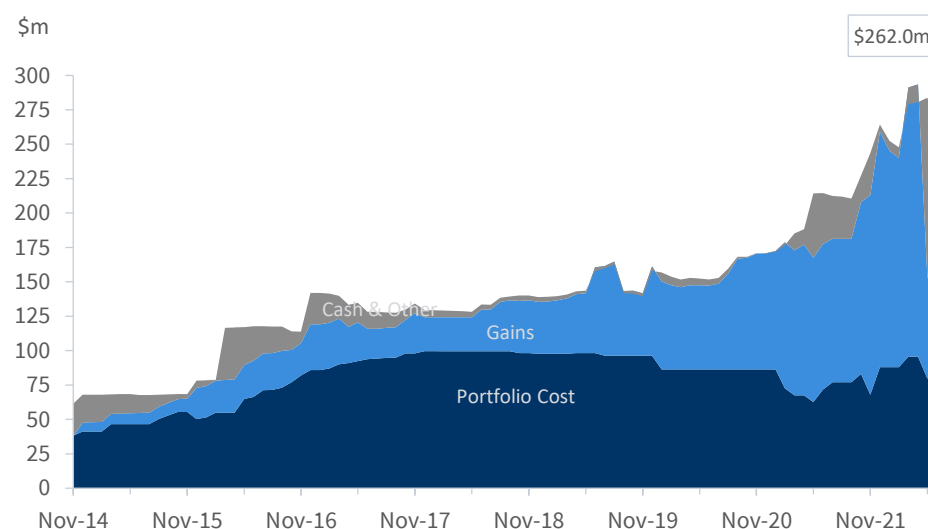
This report was authorised for release to the ASX by Helen Plesek, Company Secretary & Chief Financial Officer, on 12 July 2022.

# Bailador Technology Investments [ASX:BTI] Shareholder Update

## Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.86
NTA per share post-tax	\$1.59

## Net Tangible Asset Breakdown Since Inception



## Founders' Commentary

### An outstanding year

For the financial year to 30 June 2022, BTI generated:

- **Growth in NTA/share (pre-tax) of 21.6%**
- **Total Shareholder Return of 9.8%, outperforming the S&P/ASX All Technology Index by 45.7%**
- **Cash realisations of \$152.9m vs cost base of \$16.4m for a multiple of invested cost of 9.3x at an IRR of 43.4%**

In FY 2022 major activities included:

- **SiteMinder** listing on the ASX at a market capitalisation of \$1.4bn; Bailador realised \$14.6m cash and retains a large investment
- Realisation of our full investment in **Instaclustr** for \$118.4m at an 87% uplift to our carrying value
- Realisation of our full position in **Standard Media Index (SMI)** for \$19.9m at a 64% uplift to our carrying value
- Investment of additional capital into **Rezdy** at an attractive price
- Three new investments in Healthcare technology companies, **InstantScripts**, **Access Telehealth** and **Mosh**
- Investment of additional capital to increase our holding in **InstantScripts**

**Portfolio valuation review**

**Bailador has completed a full review of portfolio valuations as at 30 June, including an independent expert review. We are marking down two investments in private companies to reflect movements in public market valuations. There is no valuation change in our remaining four private company holdings.**

Public market valuations for technology companies have reduced significantly from a year ago. For example, the S&P/ASX All Technology Index is down 36.0% at 30 June from its level 12 months earlier. It is through this lens that we have critically examined the carrying values of each of our investments in private companies.

In this environment, Bailador's portfolio has performed exceptionally well. Our focus has for some time been on businesses with established product market fit and strong unit economics which can generate profits relatively quickly if needed. The market is now clearly favouring profitable companies.

We also have a practice of not necessarily recognising market multiple increases in a rising market for our private company valuations. This gives us a buffer in a falling market.

The two portfolio companies for which we have reduced the carrying value are:

- **Nosto:** Nosto is profitable and growing well. Bailador's holding value up to this point has reflected the value of the shares we received as consideration for our shareholding in Stackla. We are valuing our position in Nosto at \$9.2m, a reduction of 20%, recognising that public markets at first rose and have now fallen, as well as exchange rate movements since the relevant transaction in June 2021.
- **Access Telehealth:** Access Telehealth has grown very fast since our initial investment in December 2021, and we are pleased with its progress. However, our investment was made at a time close to the peak valuation of publicly listed tech companies. We are reducing our valuation of our investment in Access Telehealth by 24% to \$9.5m, purely as a reflection of market valuation levels. We remain very positive on Access Telehealth's prospects.

Bailador has a further four investments in private companies. We are maintaining our valuation of each of these investments due to a combination of strong operating performance, timing of investment, valuation at investment, and consideration of any capital structure mechanisms which provide downside protection. The four investments are:

- **InstantScripts:** InstantScripts delivered tremendous growth and has already emerged into profitability ahead of schedule. Our initial investment valuation was struck in mid-2021.
- **Mosh:** The instrument through which we invested is a convertible note which provides a reduced conversion price in certain circumstances, protecting principal value.
- **Brosa:** We have historically been conservative in marking up the valuation of Brosa compared to its strong growth. This has seen us maintain our valuation of Brosa which remains appropriately valued vs listed peers.
- **Rezdy:** FY22 saw Rezdy produce very strong results with the tours and activities industry surging following the lifting of Covid restrictions in most jurisdictions. Rezdy remains appropriately valued vs listed peers.

The remaining two portfolio investments are in companies which were private when Bailador invested, and are now listed on the ASX:

- **SiteMinder [ASX:SDR]:** As SiteMinder is listed, we can't discuss operating performance outside of what has been publicly stated by SiteMinder. June saw a share price drop for SiteMinder. As well as extremely volatile market conditions for tech companies, we believe that speculation

regarding shares due for release from escrow following release of full year audited results for SiteMinder is likely to have had some short term impact on share price. We have long stated our admiration for the management team and positioning of this world leader in the travel technology space. As anyone who has travelled recently for school holidays would recognise – travel is back!

- **Straker Translations [ASX:STG]:** With revenue for FY22 of NZ\$55.9m (growth of 79%), Straker has emerged into profitability with positive EBITDA for the past two quarters, and strong outlook guidance provided by the company. With a world leading tech platform, a huge global addressable market of over US\$50bn, and trading at only 1.1x revenue, we are positive on the prospects for Straker.

### Capital Management Policy

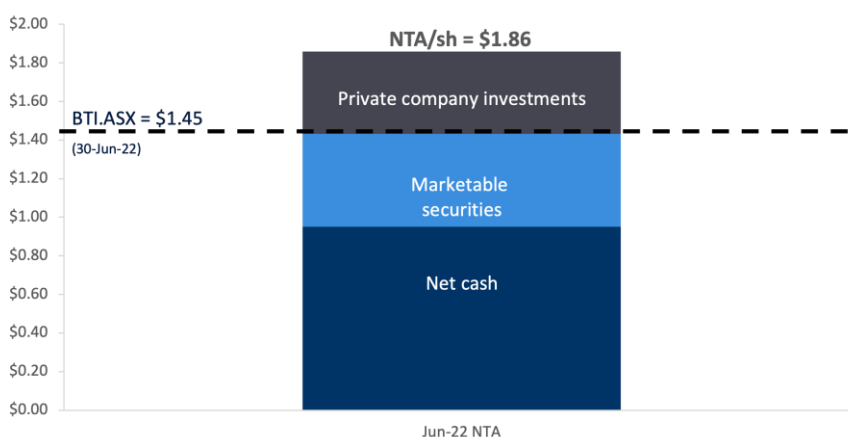
In June we announced the implementation of a new dividend policy which will see the payment of an ordinary dividend semi-annually for the foreseeable future. **The ongoing ordinary dividend policy will be 4% pa of pre-tax NTA, payable half yearly.** That is, 2% of 30 June pre-tax NTA payable upon finalisation of annual financial statements, and 2% of 31 December pre-tax NTA payable upon finalisation of half-yearly financial statements.

The Company intends for the target dividend payments to be fully franked.

In addition to Bailador’s regular dividend policy commencing on 1 July 2022, following the recent cash realisations of Instacluster and Standard Media Index, **the Board intends also to pay a special fully franked dividend of 2% of 30 June 2022 pre-tax NTA** with the special dividend to be paid at the same time as the first regular dividend payment under the policy. The dividends will be announced with Bailador’s FY22 results in August 2022<sup>1</sup>.

### Portfolio composition and outlook

With 51% of NTA in net cash, 26% in listed securities, and only 23% in private companies, all of whose valuations have been subject to thorough scrutiny, we are very comfortable with the robustness of the NTA as at 30 June. We are grateful to be in the position of having ample cash to take advantage of particularly attractive investment opportunities as they emerge in the coming financial year.



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

## Highlights

### Investment Focus

Bailador typically invests \$5 million or more 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 June 2022 was \$1.86 (May 2022 \$2.01). Key movements in NTA per share during June were:

Portfolio valuations	
Decrease in SiteMinder (ASX:SDR) share price to \$3.51 (May 2022 \$4.67)	-13.7c per share
Decrease in the valuation of Access Telehealth following internal review	-2.1c per share
Decrease in the valuation of Nosto following internal review	-1.6c per share
Decrease in Straker Translations (ASX:STG) share price to \$1.02 (May 2022 \$1.18)	-1.0c per share
Other operating expenses	3.4c per share

Operating expenses include provision for performance fee subject to an 8% pa compound hurdle and cash realisations. The performance fee hurdle has been reached in FY22 and the balance of the performance fee accrued at 30 June (\$10.6m) will be payable to the Manager on completion of the FY22 audit.

Throughout May 2022, 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 March 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

Mike Ford, Co-Founder, gave a mid-year update on [five findings from SiteMinder's World Hotel Index](#).

Mike Rogers, Co-Founder and Chief Technology Officer, [spoke about building SiteMinder](#).

Inga Latham, Chief Product Officer, gave her [advice to women thinking about a career in tech](#).

### Rezdy

Susan DeBottis, Chief Growth Officer, has been named in Arival's 31 Women Leaders in Experience Tech and Distribution.

### Access Telehealth

Access Telehealth has traded well since BTI's investment in December 2021. The company, led by Dr Pat Bowden and Brendan Murphy, have grown the team to over 200 staff members and doubled the number of aged care residents under its care in six months.

Despite the company's strong trading performance BTI has written down the value of its investment by 24% to \$9.5m. This carrying value change reflects general equity market conditions coupled with Access Telehealth's very strong revenue growth. BTI remains positive about the prospects for Access Telehealth over the short and longer term underpinned by the strong demand it is seeing for its services.

### Straker Translations

Straker launched a new podcast called [Just Sayin' with Straker Translations](#). In the first episode host Gianluca Savenije, Business

Development Director for North America, interviews Mohan Reddy, Chief Technology Officer at SkyHive. The pair discuss the future of AI related to the labour market and how using language solutions can help businesses to grow internationally.

**nosto**  **Nosto**

In June we reviewed the valuation of Nosto as part of our year end valuation review. Nosto continues to trade well and profitably, however given the continued decline in tech market valuations, and FX movements since our last transaction, we have decided to write down our investment in Nosto by 20% to \$9.2m.

Nosto launched an [integration with Hydrogen by Shopify](#). Hydrogen was launched this month to revolutionise how brands build and deploy custom storefronts on the Shopify platform. Nosto was selected as a preferred recommended solution for Hydrogen integration.

Damien Mahoney, Chief Strategy Officer, [wrote for Travolution](#) about how TikTok, Pinterest and Instagram have changed how people select their holiday destinations.

**MOSH** **Mosh**

Josh Dorevitch, Marketing Lead, was interviewed by The Australian about [Mosh's new TV ad](#) that challenges traditional stereotypes of masculinity which can impact men's mental and physical health.

**BROSA** **Brosa**

Ivan Lim, CEO, wrote for B&T to [offer his advice to other brands navigating the role of in-person connection](#) in a post-Covid world.

Ivan also [spoke to CMO.com.au](#) about the digital-first approach that makes Brosa stand out.

**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.

<sup>1</sup>The 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 <sup>1</sup>
SiteMinder	58.7	371%	▲	0.42	✓	Mark to market each month end
InstantScripts	16.6	10%	▲	0.12	✓	March 2023
Rezdy	12.8	69%	▲	0.09	✓	October 2022
Access Telehealth	9.5	(24%)	▼	0.07		June 2023
Straker Translations	9.3	(2%)	▼	0.07	✓	Mark to market each month end
Nosto	9.2	(19%)	▼	0.06		June 2023
Mosh	7.5	0%	▶	0.05	✓	December 2022
Brosa	4.5	49%	▲	0.03		October 2022
Cash	143.8			1.02		
Other <sup>2</sup>	-9.9			-0.07		
<b>Net Asset Value / Net Asset Value Per Share (Pre Tax)</b>	<b>262.0</b>			<b>1.86</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. The performance fee hurdle has been reached in FY22 and performance fee will be payable on completion of the FY22 audit.

**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	InstantScripts	Rezdy	Access Telehealth
Type:	SaaS/B2B	Digital Healthcare/B2C	SaaS	Digital Healthcare/B2C
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	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
HQ:	Sydney	Melbourne	Sydney	Melbourne
Staff:	750-1000	1-50	100-250	100-250



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