

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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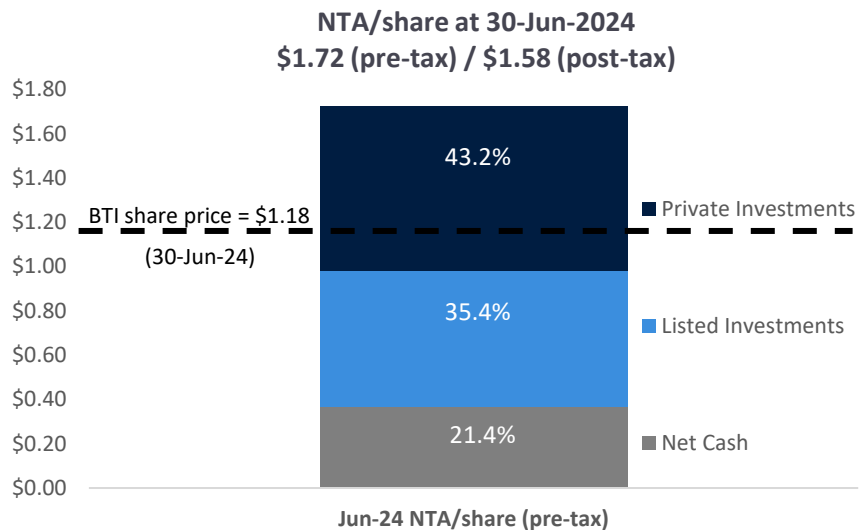
Notes:

¹Portfolio return post-tax calculated as the compound annual growth in NTA per share (post-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 11 July 2024.

Net Tangible Asset Snapshot



Fund Performance

Annual returns to 30-Jun-24	1-Year	2-Years	3-Years
Portfolio Return post-tax (%pa) ¹	8.5%	5.4%	9.4%
Shareholder Return (%pa) ²	7.3%	-3.4%	1.1%
Performance vs Benchmark			
S&P ASX All Tech Index [ASX:XTX]	29.8%	28.6%	1.9%
Shareholder Return vs Benchmark	-22.6%	-32.0%	-0.9%

Notes: Refer left margin.

Founders' Commentary

A Financial Year in Review

This is the final Founders' Commentary for the 2024 financial year and as usual we provide a commentary on performance in the year just ended and comment on how we see the Fund positioned for the year ahead.

The 2024 financial year after tax BTI Portfolio Return was 8.5%. This was the result of a gain in the post-tax portfolio (investment gains less expenses, after all fees) of 6 cents per share and the addition of the payment of 6.7 cents per share of dividends.

2024 Portfolio Return Gain in Post-Tax NTA per share¹

Increase in investments less expenses	6.0c
Dividends paid	6.7c
Total portfolio gain, cents per share	12.7c
Total portfolio return ¹	8.5%

Our private company investments performed well during the year as businesses but did not contribute materially to growth in the value of the fund. Last year our private company investments delivered an IRR of 36.3%, this year the comparable IRR was 2.3%. There are a number of reasons for this modest result. Chief among

them is the sale of InstantScripts in June 2023. InstantScripts was a major contributor to the very strong result in FY2023. Of our other private companies, Access Telehealth and Rosterfy delivered strong valuation uplifts, RC TopCo was held flat despite good progress in the business (more on this below), and Nosto was marked down. Our long-term view of Nosto’s prospects is unchanged, but the company is exposed to the consumer spending cycle and, as for many companies in the consumer discretionary space, revenue growth was challenged in FY2024.

Later in this letter we provide a brief overview of the prospects for each of our private company investments. The short story is we feel very good about their prospects.

Our public company investments, led by SiteMinder, performed very well in FY2024. Our investment in SiteMinder increased in value by \$36 million in the year, a lift of 74%. Straker’s (formerly Straker Translations) valuation trod water in FY2024 but the business made exciting progress in its product suite and go-to-market approach which we expect to provide positive results in the current year and beyond.

Cash balances remained high in FY2024. The return we achieve on cash is about 4%, which is far below the return we achieve on investments in private and public companies. Cash was therefore a brake on our returns in FY2024. Major investments in Updoc and DASH late in the year reduced our cash balance to \$62 million from over \$100m at the beginning of the year.

At the 30 June 2024 share price, our annualized 4% dividend based on the June pre-tax NTA represents a **dividend yield of 5.8% per annum and 7.7% when grossed up for franking credits**. These numbers are unaudited, and we will formalise and pay our final FY2024 dividend of 2% of June pre-tax NTA following release of our full year results.

Investments in 2024

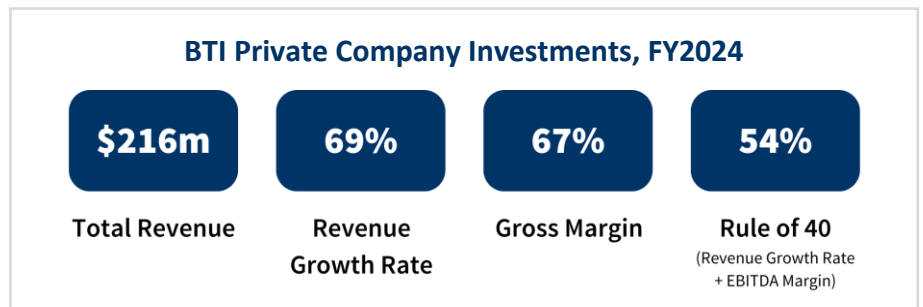
We made four investments in FY2024, two follow-on investments in portfolio companies Access Telehealth and RC TopCo, and two new investments in Updoc and DASH later in the year. We invested \$20 million in Updoc in May and \$15 million, with a further \$5 million to follow, in DASH in June. We will provide a detailed look at DASH in next month’s Founders’ Commentary.

The new investments take the total number of companies in the portfolio to nine. We continue to look for additional investments and are excited by the quality of the deal flow we have seen in the last six months. We expect to make more investments in coming months.

Private company investment portfolio expectations

We noted earlier that our investments in private companies returned just 2.3% in FY2024. We do not expect this low return to be repeated in FY2025. The private company portfolio is in very good shape, and we expect strong growth in FY2025.

Here are some of the most important portfolio-weighted numbers for the private portfolio taken as a whole.



Note: These numbers are not audited and, in some cases rely on estimates as final FY2024 numbers were not available at the time of writing.

These numbers exclude public companies SiteMinder and Straker. We think that the difference in the strong operating performance and the modest valuation uplifts indicates that we are being conservative on valuation. This positions the portfolio well to surprise on the upside when realised for cash, as we have done on over a dozen occasions now.

Update on the current portfolio

Public company investments

For more comprehensive information than we can supply here, we refer shareholders to the public statements, financial results and presentations provided by SiteMinder [ASX:SDR] and Straker [ASX:STG].

SiteMinder

SiteMinder's share price rose 74% in the 2024 financial year. The company continued its record of strong revenue growth and achieved many milestones in the year, including the launch of new products Dynamic Revenue Plus and Channels Plus, winning five categories in the Hotel Tech Awards 2024 and inclusion in the ASX200.

Straker

Straker delivered record cashflow and profitability in FY2024 and an adjusted EBITDA of NZ\$4.5 million for the year. The company accelerated its use of AI integration in its Language Cloud solution, completed a significant share buy-back and welcomed highly regarded Linda Jenkinson as the new Chair.

Private company investments

RC TopCo

FY2024 was a year of hard work for the RC TopCo team. Shareholders will recall our portfolio company Rezdy merged with Checkfront from Canada and Regiondo from Germany late in FY2023. The new management team has worked extremely hard through FY2024 to reduce duplication and overlap in activities and staff, develop a new best-of-breed booking software product for tours and activities providers and adjust sales and marketing focus. The company produced solid high teens revenue growth in the year and significantly reduced operating costs to set itself up for profitable growth and valuation increases in FY2025 and beyond.

Access Telehealth

Digital healthcare continues to grow very fast in Australia and Access Telehealth continues to grow very fast with it. Access Telehealth provides access to top-class healthcare for residents in aged care, those with a disability and geographically remote Australians. The fund invested an additional \$4.1 million in Access Telehealth during FY2024 and in December wrote the investment up by 28% to reflect the company's strong growth.

Mosh

Mosh continues to grow rapidly and has reached breakeven profitability. The team at Mosh continue to do a great job providing digital consultations, treatment plans and medication for hair loss, weight loss, mental health and sexual health. Mosh soft-launched their female brand, Moshy, during the year. Restricted access to weight-loss medication for periods challenged the business at times.

Rosterfy

Rosterfy delivered very strong growth in FY2024. In November the company passed the milestone of 3 million volunteers and staff using the Rosterfy platform. The company now has offices in Australia, USA and the UK serving customers in 26 countries. Rosterfy's software continued to manage volunteers at major events hosted by FIFA and UEFA, as well as the Super Bowl. New not-for-profit clients added in the year include, Meals on Wheels Queensland, Help for Heroes (British Veterans), Islamic Relief Canada and the World Organisation of the Scout Movement. In April 2024 we wrote up our valuation of Rosterfy by 27%.

Nosto

Nosto provides a wide range of services to the digital marketing and e-commerce markets. The business continued to build its scale and integrations in the e-commerce eco-system during the year. Revenue growth slowed in FY2024 as consumer discretionary spend declined. We elected to write down our Nosto carrying value at year end by \$4.9 million to reflect slowing revenue growth.

New investments

Updoc

[BTI invested \\$20 million](#) into rapidly growing digital healthcare platform Updoc in May 2024. It is early days but already clear Updoc is an exceptional business run by exceptional founders.

DASH

Late in June 2024 [the fund invested \\$15 million](#) (with another \$5 million committed) into investment management platform and financial planning software firm DASH. DASH's mission is to make investment advice accessible to a much wider swathe of Australians by providing low-cost digital solutions to advice providers which in turn allows them to provide a lower-cost service to investors. DASH operates in a huge market with strong tailwinds and is very well placed to take significant share from legacy incumbents.

Looking ahead

Having been very selective with new investments, holding higher than usual levels of cash for some time, we are very pleased to have made two new high-quality investments recently. We feel comfortable that we are holding our portfolio of private investments at conservative valuations, and that our public company positions are well understood, providing significant upside potential. We look forward to delivering strong investment returns to investors in the year ahead.

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 June 2024 was \$1.72 (May 2024 \$1.76). Key movements in NTA are noted below.

Movement in NTA per share (pre-tax) June 2024

Decrease in SiteMinder (ASX:SDR) share price to \$5.09 (May 2024 \$5.19)	-1.1c per share
Decrease in Straker (ASX:STG) share price to \$0.485 (May 2024 \$0.505)	-0.1c per share
Decrease in carrying value of Nosto	-3.4c per share
Operating expenses and interest	0.6c per share

Positive movement in operating expenses and interest is due to the reduction in performance fee accrual in line with reduction in NTA for the month. The performance fee hurdle has been reached for FY24 and the balance of the performance fee accrued at 30 June (\$7.9m) will be payable to the Manager on completion of the FY24 audit.

SiteMinder [ASX:SDR]

SiteMinder [announced a partnership with Cloudbeds](#), a property management system for the hospitality industry. Users of both platforms will benefit from integrations, giving customers expanded distribution capabilities.

Leah Rankin, Chief Product Officer at SiteMinder, shared [her views on the future of AI in the travel sector](#) with Hospitality Net.

RC TopCo

RC TopCo

Rezdy [announced a partnership with Trip.com Group](#), the leading global travel services provider consisting of brands Trip.com, Ctrip, Skyscanner and Qunar. Thanks to a new integration, providers within the Trip.com Group ecosystem will have access to connect and promote their tours to end customers in real-time, and Rezdy operators of all sizes will be able to tap into Trip.com Group's global customer base.

DASH

As announced in [Bailador's ASX announcement on Monday 1 July](#), Bailador invested \$20 million into financial advice and investment management platform DASH Technology Group. Bailador's investment is structured as an initial \$15m investment with an additional \$5m to be provided in January 2025. Dash is a cloud-based platform used by independent financial advisers and financial institutions.

The new investment was reported on by the [Australian Financial Review with journalist Paul Smith](#) speaking to DASH CEO Andrew Whelan and Bailador co-Founder David Kirk. Articles were also published by [Business News Australia](#) and [Startup Daily](#).

rosterfy Rosterfy

Rosterfy [launched the Rosterfy Trust Centre](#) to help organisations feel confident with how the company is safeguarding data and ensuring compliance. The Trust Centre is a portal connecting users to the Rosterfy privacy, security and compliance protocols and procedures.

nosto  **Nosto**

Nosto was recognised in a report by industry analyst firm Gartner. The [2024 Gartner Magic Quadrant for Search and Product Discovery](#) report recognised Nosto for its Completeness of Vision and Ability to Execute.

We elected to write down our Nosto carrying value at year end by \$4.9 million to reflect slowing revenue growth. See Founders' Commentary for further details.

 **Bailador**

Bevin Shields, Partner at Bailador, [spoke to Tess Bennett at the Australian Financial Review](#) about market conditions in the venture capital space.

Bailador's [latest column with Stockhead](#) looks at our recent investment in Updoc.

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.

BTI Portfolio Net Tangible Asset Summary

	Valuation (\$'m)	Gain (%)		NTA per share (\$)	Third Party Event Valuation	Next Valuation Review ¹
SiteMinder	85.1	511%	▲	0.58	✓	Mark to market each month end
RC TopCo	25.8	91%	▲	0.18	✓	May 2025
Access Telehealth	24.0	22%	▲	0.16		December 2024
Updoc	20.0	0%	▶	0.14	✓	May 2025
DASH	15.0	0%	▶	0.10	✓	June 2025
Rosterfy	12.4	27%	▲	0.08		April 2025
Mosh	7.5	0%	▶	0.05	✓	December 2024
Straker	4.4	(40%)	▼	0.03	✓	Mark to market each month end
Nosto	4.2	(62%)	▼	0.03		June 2025
Cash	62.0			0.42		
Other ²	(7.8)			(0.05)		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	252.6			1.72		

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	RC TopCo	Access Telehealth	Updoc	Dash
Type:	SaaS/B2B	SaaS	Digital Healthcare/B2C	Digital Healthcare/ Marketplace/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	Digital healthcare platform connecting consumers who need medical services with registered health practitioners via a telehealth offering	Financial advice and investment management software platform used by independent financial advisors and financial institutions
HQ:	Sydney	Vancouver	Melbourne	Sydney	Sydney
Staff:	750-1000	250-500	100-250	1-50	50-100



Name:	Rosterfy	Nosto	Mosh	Straker
Type:	SaaS/B2B	SaaS/B2B	Digital Healthcare/B2C	Marketplace/Machine Learning
About:	Volunteer management software platform that connects communities to events and causes they are passionate 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:	Melbourne	Helsinki	Sydney	Auckland
Staff:	1-50	100-250	1-50	100-250