

# 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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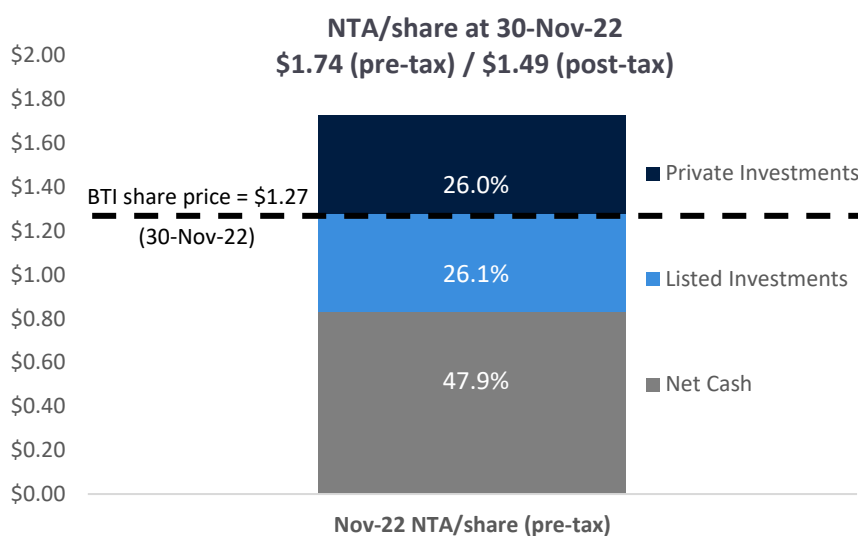
Notes:

<sup>1</sup>Portfolio return calculated as the compound annual growth in NTA per share (pre-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 8 December 2022.

## Net Tangible Asset Snapshot



## Fund Performance

Annual returns to 30 Nov 2022	1-Year	2 Years	3 Years
Portfolio Return (%pa) <sup>1</sup>	4.9%	14.8%	17.3%
Shareholder Return (%pa) <sup>2</sup>	-7.7%	11.3%	11.4%
<b>Performance vs Benchmark</b>			
S&P ASX All Tech Index [ASX:XTX]	-31.6%	-10.8%	+1.4%
Shareholder Return vs Benchmark	+23.9%	+22.1%	+10.0%

Notes: Refer left margin.

## Founders' Commentary

### ESG and Bailador's commitment to Governance

ESG is the consideration of Environmental, Social and Governance matters in corporate decision making. Whilst the "E" and the "S" of ESG continue to be the issues du jour, at Bailador we have long believed there to be a clear and positive relationship between delivering long-term shareholder value and high-quality corporate governance. This month we take a look at Bailador's corporate governance.

Corporate governance means the systems by which organisations are controlled, operate, and are held to account. Modern ESG thinking takes a more stakeholder-centric approach to doing business than in the past. Bailador's governance framework needs to be fit for purpose to ensure we operate in the best interests of, among others, our shareholders, our founders and their businesses, our fellow investors, our investment team, and the Australian technology eco-system. It sounds like a big ask!

Strong corporate governance is at the heart of what we do. We have a culture of good governance and ethical conduct and have built robust systems to ensure we operate to the high standards we have set ourselves. A few governance items relevant to shareholders are discussed below.

### A clear relationship with the Manager

Bailador Technology Investments Ltd ("BTI") doesn't employ staff the way operating businesses do. The Bailador board has appointed a Manager, Bailador

Investment Management, to manage the investments BTI makes. The Bailador board has clearly delineated the role of the Manager and the Manager reports to the Board on its performance. We are clear and transparent in our fees and report our performance to shareholders after all fees paid to the Manager.

#### **A strong independent board**

Bailador's board is comprised of Bailador co-founders David Kirk and Paul Wilson along with three independent directors, Andrew Bullock, Jolanta Masojada and Brodie Arnhold. We review the skills our board requires regularly and review our board's performance. There is a lot of information put out through the reporting season, but if you get a moment, [go to page seven of Bailador's annual report](#) and read the bios of our independent directors. They are highly qualified and hold a breadth of experience that brings great value to us.

#### **A rigorous investment process**

The Bailador Investment Management investment committee runs a multi-staged investment process that incorporates thorough due diligence of potential investments. The investment committee sees a lot of investments and the vast majority of those do not make the cut. We are critically assessing potential investments for market opportunity, demonstrated scalability, culture fit, valuation, returns and of course risk. We commit to solid structured work on the investments we turn down, incorporating our learnings into making better investment decisions.

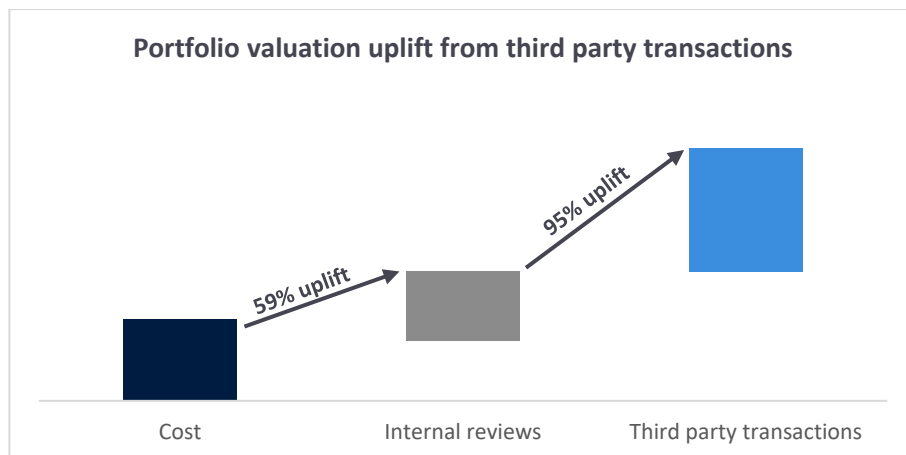
#### **A robust valuation process**

Your confidence in Bailador's valuations is at the heart of your confidence in Bailador as an investment. Almost every notice Bailador issues to the market will contain a statement on the valuation of one or all of our investments. All businesses in the current Bailador portfolio are valued at either a mark to the ASX market price (for our publicly listed investments ASX:SDR and ASX:STG), the latest price set by a third-party transaction (InstantScripts, Rezdy and Mosh) or by a valuation determined by us based on our knowledge of the business and comparative pricing we observe in the market (Access Telehealth, Nosto and Brosa).

Our valuations are constantly reviewed by our investment team and a formal thorough valuation report is prepared every six months for the board. Sometimes this includes external commissioned work on certain sectors or businesses. Our auditors review our valuations and have their own non-audit valuation experts review our valuations. At June each year, we also have an independent valuation prepared. This is currently done by BDO. And our highly qualified board review all of this information, probe for more information and make valuation determinations.

We aim to be conservative and proactive with our valuations. It is no coincidence and a testament to our commitment to good governance, that in a challenging technology market, our three businesses with internally determined valuations (Access Telehealth, Nosto and Brosa) are all valuations that have been written down by us in the last six months. We continue to watch market conditions closely and will continue to ensure our portfolio reflects fair value for shareholders.

Since our public listing in 2014, businesses in the portfolio have completed **30 third party transactions** (that's either raising capital, IPOs, or business sales). **One hundred per cent of those third party transactions have been at or above the valuation Bailador was holding the business in our portfolio.** This gives us empirical evidence that our governance processes are working.



### Sharing what we know

If we believe good governance contributes to shareholder value for our shareholders, we need to believe it for our investments too, where we are the shareholder. Of the eight businesses in our portfolio, Bailador has board representation on five, with observer rights on a further two. Our board representation gives us the unique ability to share what we know with our portfolio companies. We also have our team members work with our portfolio companies to provide practical guidance on setting up quality governance and decision making frameworks. The frameworks grow with the businesses and our contribution of good governance to the sector is something we're proud of.

With only a few weeks to Christmas, we would like to take this opportunity to wish you a safe and happy Christmas season and to thank you for your support this year.

**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 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.

## 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 November 2022 was \$1.74 (October 2022 \$1.72). Key movements in NTA per share during November were:

Portfolio valuations	
Increase in SiteMinder (ASX:SDR) share price to \$3.20 (October 2022 \$3.10)	1.2c per share
Increase in Straker Translations (ASX:STG) share price to \$1.27 (October 2022 \$1.11)	1.0c per share
Other operating expenses	-0.2c per share

Throughout FY22, Bailador completed the realisations of Instacluster 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

Mark Renshaw, SiteMinder's Chief Marketing Officer, was [ranked #19 in CMO Magazine's list of the 50 most innovative and effective marketing leaders for 2022](#).

#### InstantScripts

InstantScripts' impressive growth has been celebrated with the company picking up three different awards this month. InstantScripts was ranked [#35 in the Deloitte Technology Fast 50](#), [#7 in SmartCompany's Smart50 Awards](#), and [#89 in the Australian Financial Review's Fast Starters awards](#).

#### Rezdy

During the month Bailador led a syndicated debt round providing Rezdy with up to \$5m in funding via a secured loan structure. Bailador has committed to funding 50% of the secured loan and completed its share (\$1.5m) of the first drawdown totalling \$3.0m during the period. Bailador's share of any drawn funds under the loan is recognised as part of the carrying value for Rezdy from the month the drawdown occurred.

#### Straker Translations

Straker was one of the rising stars in the [TIN200 report, which lists New Zealand's largest and fastest-growing tech exporters](#). Straker gained an impressive 32 places to come in at #51 this year.

#### Nosto

Nosto beat Adobe, Sitecore and Deloitte in a report ranking the top ecommerce technology providers in North America. Nosto was [placed third by Digital Commerce 360 in its annual Leading Vendors to the Top 1000 Retailers Report](#).

#### Bailador

Bailador's latest columns with Stockhead looked at [how investors win with BTI's fund model](#), and a look back on Bailador's investment in [SiteMinder at one year since the company's ASX-listing](#).

## BTI Portfolio Net Tangible Asset Summary

	Valuation (\$'m)	Gain (%)		NTA per share (\$)	Third Party Event Valuation	Next Valuation Review <sup>1</sup>
SiteMinder	53.5	343%	▲	0.37	✓	Mark to market each month end
InstantScripts	24.4	21%	▲	0.17	✓	August 2023
Rezdy	14.3	58%	▲	0.10	✓	October 2023
Straker Translations	11.6	16%	▲	0.08	✓	Mark to market each month end
Access Telehealth	9.5	(24%)	▼	0.07		June 2023
Nosto	9.2	(19%)	▼	0.06		June 2023
Mosh	7.5	0%	▶	0.05	✓	December 2022
Brosa	0.0	(100%)	▼	0.00		October 2023
Cash	118.4			0.82		
Other <sup>2</sup>	1.4			0.02		
<b>Net Asset Value / Net Asset Value Per Share (Pre Tax)</b>	<b>249.8</b>			<b>1.74</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.

**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	Straker Translations
Type:	SaaS/B2B	Digital Healthcare/B2C	SaaS	Marketplace/Machine Learning
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	Digital language translation services provider and one of the world's fastest growing translation companies
HQ:	Sydney	Melbourne	Sydney	Auckland
Staff:	750-1000	1-50	100-250	250-500



Name:	Access Telehealth	Nosto	Mosh	Brosa
Type:	Digital Healthcare/B2C	SaaS/B2B	Digital Healthcare/B2C	Online Retail/B2C
About:	Specialist telehealth platform connecting Australian communities to high-quality healthcare	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:	Melbourne	Helsinki	Sydney	Melbourne
Staff:	100-250	100-250	1-50	50-100