

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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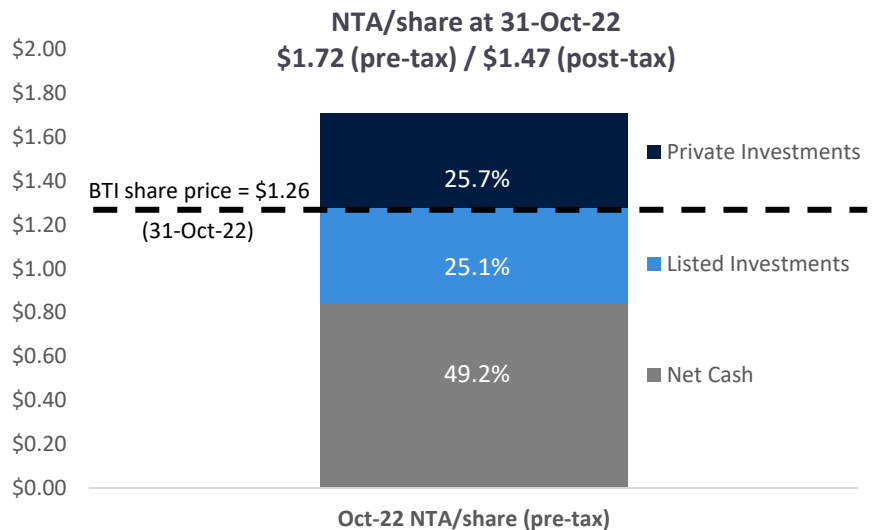
Notes:

¹Portfolio return 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 14 November 2022.

Net Tangible Asset Snapshot



Fund Performance

Annual returns to 31 Oct 2022	1-Year	2 Years	3 Years
Portfolio Return (%pa) ¹	11.5%	15.0%	16.1%
Shareholder Return (%pa) ²	-27.3%	16.9%	11.8%
Performance vs Benchmark			
S&P ASX All Tech Index [ASX:XTX]	-34.1%	-9.4%	+3.1%
Shareholder Return vs Benchmark	+6.8%	+26.3%	+8.7%

Notes: Refer left margin.

Founders' Commentary

SiteMinder Growth Accelerating

The largest holding in the Bailador portfolio is SiteMinder. We have held a position for a number of years since we first invested in SiteMinder as a private company with revenue of \$5m. From our original \$5m investment, we have realised \$30m cash to date, and hold approximately \$52m of shares listed on the ASX. SiteMinder (SDR:ASX) has now been listed on the ASX for one year. We take a closer look at how it's travelling 😊.

First, a quick reminder of what SiteMinder does.

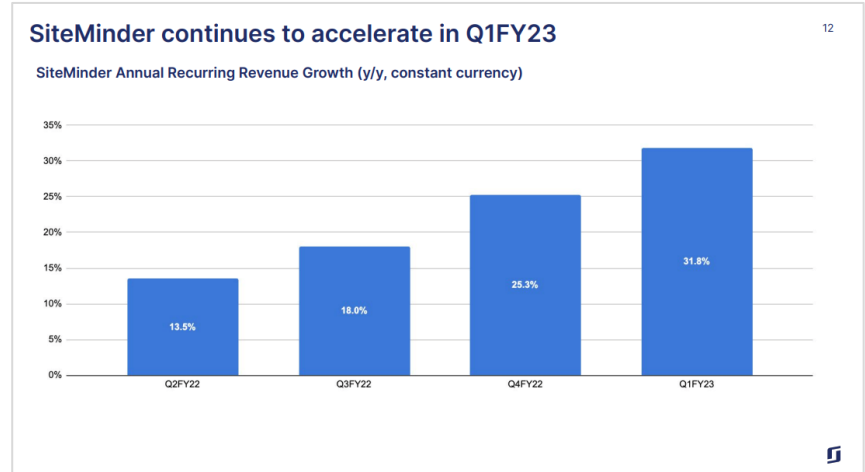
SiteMinder is the world's leading open hotel commerce platform, ranked among technology pioneers for opening up every hotel's access to online commerce. It's this central role that has earned SiteMinder the trust of tens of thousands of hotels, across 150 countries, to sell, market, manage and grow their business. Headquartered in Sydney, SiteMinder has offices in Bangkok, Berlin, Dallas, Galway, London, and Manilla.

Key Stats:

- 35k Subscription properties
- \$145m Annual Recurring Revenue (ARR)
- 31.8% ARR Growth Rate (year on year, constant currency)
- \$806m Market Capitalisation (8/11/22)
- \$109m Available Liquidity (including undrawn debt)

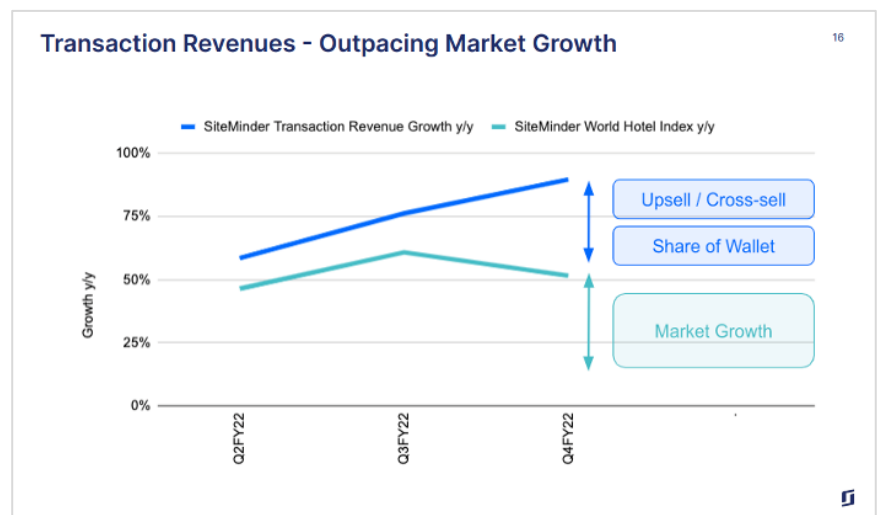
SiteMinder has delivered on the product, go-to-market, and financial initiatives outlined during the IPO in November 2021. One of the most resilient businesses in the world travel industry through COVID travel restrictions, SiteMinder is not just growing, but growth is accelerating.

The chart below shows that SiteMinder has substantially increased its rate of growth for each of the last four quarters, to be growing at over 30% pa currently.



SiteMinder has historically been a predominantly subscription revenue-based business. With its subscriber base of 35k hotels, the business produces reliable, predictable, growing subscription revenue. This is expected to continue.

In addition, SiteMinder is achieving significant growth in transaction revenue. Currently a smaller portion of overall SiteMinder revenue, transaction revenue is driven by the transaction products, such as demand management and payments, adopted by a hotel, as well as travel activity. The travel market has bounced back strongly, and SiteMinder transaction revenue growth of 86% (y/y Q2 FY22 constant currency) has outpaced that market growth significantly, as shown in the chart below.



Transaction revenue for SiteMinder is typically an add on product taken up by existing subscription customers. This has the benefit of allowing faster growth than the overall travel market, as shown above, but also allows strong operating margins. The opportunity from up-sell, cross-sell, and share of wallet is significant.

Underpinning the strong growth prospects for SiteMinder is a very large Total Addressable Market (TAM) of 1 million hotels. The vast majority of this TAM are independent hotels, SiteMinder’s core market, whose uptake of modern technology solutions still has a long way to go.

Led by Managing Director, Sankar Narayan, the SiteMinder management team is well credentialed to take advantage of the huge opportunities ahead. Pat O’Sullivan chairs an experienced board of directors, including Bailador’s Paul Wilson. The recent appointment of US based Dean Stroecker, co-founder of software giant Alteryx (NYSE:AYX) further strengthens the board’s experience of scaling a software business globally.

The current SiteMinder share price is below the November 2021 IPO price, with a reduction broadly in line with the overall market in that time period. Bailador has an in depth understanding of the SiteMinder business, and we are confident that the business will continue to execute and thrive. We are comfortable having SiteMinder as a key element of the BTI portfolio.

Please refer to SiteMinder’s [AGM presentation](#) and [Q1FY23 release](#) for more detailed information.

Portfolio Valuation News – Rezdy, Brosa

The BTI portfolio investments in Rezdy and Brosa are up for scheduled valuation review this month.

Rezdy: Holding valuation constant at \$12.8m.

Strong trading performance balanced by negative market valuations.

Brosa: Reduce valuation by \$4.5m to \$nil.

Bailador has determined to write its investment in Brosa down to zero. It has been 12 months since we last valued our investment in Brosa and during that time, market valuations for technology companies have reduced significantly. Compounding the fall in market multiples, Brosa is discretionary spending exposed and susceptible to the on-going headwinds facing the economy.

Bailador will continue to monitor Brosa's performance and as with all investments, to value its investment conservatively.

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 October 2022 was \$1.72 (September 2022 \$1.75). Key movements in NTA per share during October were:

Portfolio valuations	
Increase in SiteMinder (ASX:SDR) share price to \$3.10 (September 2022 \$3.09)	0.1c per share
Decrease in Straker Translations (ASX:STG) share price to \$1.11 (September 2022 \$1.20)	-0.6c per share
Decrease in valuation of Brosa	-3.1c per share
Other operating expenses	0.6c 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

SiteMinder released its quarterly cash flow report for the period ended 30 September 2022. SiteMinder recorded Q1FY23 revenue of \$35.7m, growing 30.5% in constant currency (29.0% reported) from Q1FY22. [Click here](#) to read the full report.

SiteMinder held its AGM this month. All resolutions were passed, including the election of two new independent directors, Kim Anderson and Dean Stroecker. [Click here](#) to read the Chairman and CEO's address.

SiteMinder announced the winners of its annual Partner of the Year Awards which recognise the most impactful experts, service providers, apps and tech companies in the accommodation industry. There were more than 80 nominations for the accolades. [Click here](#) to view the winners.

Two new SiteMinder employees, Anna Podchashynska and Bruno Henrique Dente, [wrote about their experiences joining the team](#).

InstantScripts

Richard Skimin, COO at InstantScripts, [spoke to Sky News](#) about how InstantScripts is helping Australians to access routine health services more easily, such as requesting a medical certificate or regular prescription.

Rezdy

It has been 12 months since we last valued our investment in Rezdy. Despite Rezdy's strong recovery since COVID, we have maintained a conservative approach to our valuation given current market conditions and held our valuation flat at \$12.8m.

Straker Translations

Straker Translations announced a [three year extension of its agreement with IBM](#). The extension will see Straker support all parts of the IBM business including cloud.

Straker Translations [announced a 42% jump in revenue](#) in its half year results following deals with Microsoft and the UN. Revenue rose from \$23m to \$33m in the first half of FY22, while second quarter results saw revenue up 19% on a year ago to \$14.2m.

Grant Straker, Straker Co-Founder and CEO, was interviewed by Zanda Wilson for [The Silver Bullet Podcast](#). Grant spoke about how managing a good team of people is the key to successfully scaling a global company.

Nosto

Nosto was named an [Elite Partner by Klaviyo](#), a global marketing automation platform. The Elite Partner status means Nosto customers that are also using Klaviyo can expect a strengthened relationship with both technologies, providing an elevated level of product knowledge and service.

BROSA Brosa

Bailador has determined to write its investment in Brosa down to zero. It has been 12 months since we last valued our investment in Brosa and during that time, market valuations for technology companies have reduced significantly. Compounding the fall in market multiples, Brosa is discretionary spending exposed and susceptible to the on-going headwinds facing the economy. Bailador will continue to monitor Brosa's performance and as with all investments, to value its investment conservatively.

Bailador

Paul Wilson, Bailador Co-Founder and Managing Partner, spoke at the Equity Mates FinFest event in Sydney. The investing festival was designed to challenge the perception that finance events are boring and featured educational sessions as well as bars, entertainment and food.

Bailador's column with Stockhead looked at [why we think the virtual care space will be crucial to providing sustainable healthcare in the future](#).

Bailador's AGM went ahead in person for the first time following COVID-19 and was a great success and well attended by shareholders. All resolutions were passed in the meeting and there were many interesting questions from attendees. Thank you to all those who joined the meeting. [Click here](#) to view the presentation and Chairman's address, and [here](#) to view the results of the meeting.

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	51.8	335%	▲	0.36	✓	Mark to market each month end
InstantScripts	24.4	21%	▲	0.17	✓	August 2023
Rezdy	12.8	69%	▲	0.09	✓	October 2023
Straker Translations	10.2	5%	▲	0.07	✓	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	119.0			0.83		
Other ²	2.4			0.02		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	246.8			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	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