

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

✉ Bailador Technology Investments
Level 20, 20 Bond Street
Sydney NSW 2000

☎ +61 2 9223 2344

✉ investorservices@bailador.com.au

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in [Bailador Technology Investments](#)

🌐 www.bailador.com.au

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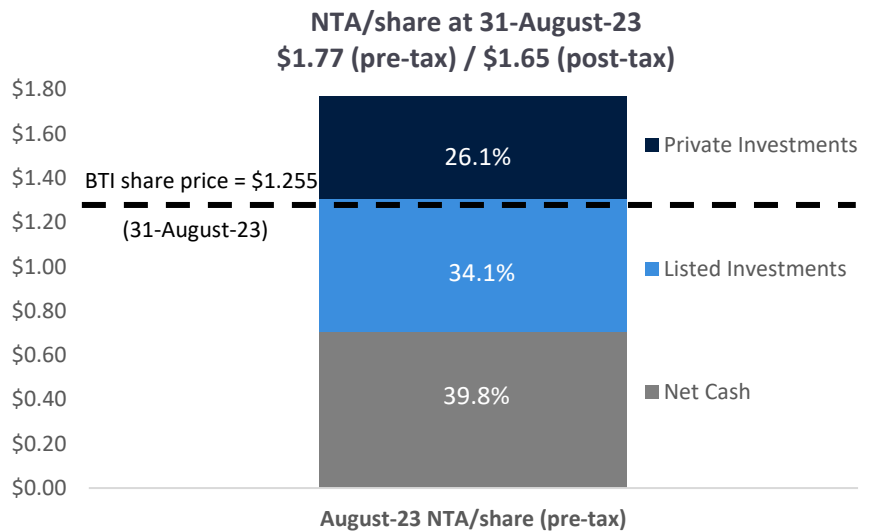
Notes:

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 8 September 2023.

Net Tangible Asset Snapshot



Fund Performance

Annual returns to 31 August 2023	1-Year	2 Years	3 Years
Portfolio Return post-tax (%pa) ¹	9.8%	15.2%	14.6%
Shareholder Return (%pa) ²	-15.6%	-3.3%	11.1%
Performance vs Benchmark			
S&P ASX All Tech Index [ASX:XTX]	18.4%	-9.8%	1.3%
Shareholder Return vs Benchmark	-34.0%	+6.5%	+9.8%

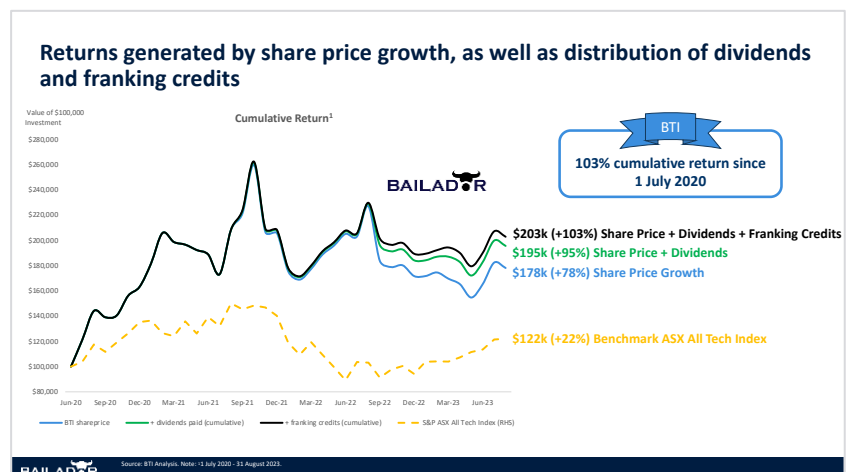
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Founders' Commentary

Have your Capital Gains cake and eat your Dividends too

Many Australian investors appreciate receiving valuable franking credits, whereby tax paid by a company is credited to shareholders when dividends are paid. These credits are rightly factored into calculations when comparing overall returns. Bailador's regular fully franked dividend provides investors with a compelling ongoing yield superior to cash, as well as exposure to the main engine of returns for Bailador shareholders, capital gains.

Factoring in share price appreciation, cash dividends received, and franking credits received, \$100k invested in acquiring BTI shares at the start of the 2021 financial year is worth \$203k today.



Capital Gains are the main driver of returns, but dividends help

As the chart above demonstrates, three-year cumulative returns have been generated in order by:

Share Price Appreciation	78%
Cash Dividends	17%
Franking Credits*	8%

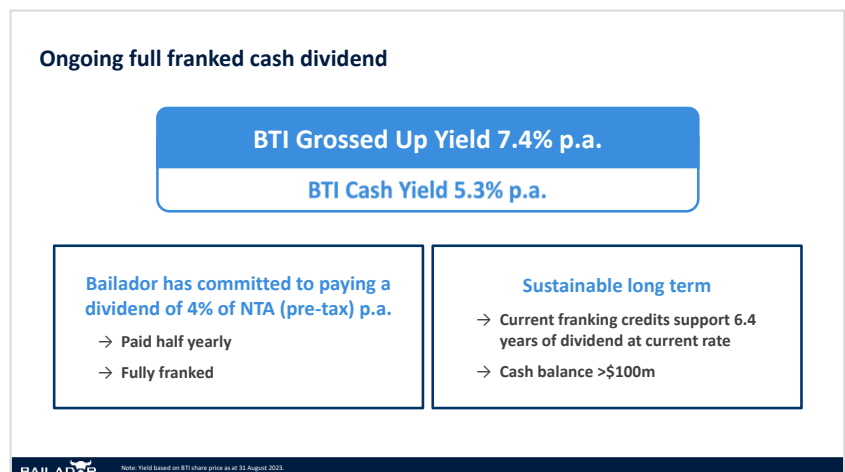
**Franking Credits are tax credits available to most Australian tax residents dependent on their individual circumstances. Non-residents are generally not able to utilise franking credits. Analysis of the BTI share register indicates that most BTI shareholders are Australian tax residents.*

BTI dividend yield is better than that available on cash

The cash yield on BTI shares based on the share price as at 31st August 2023 is 5.3%pa, and the yield grossed up for franking credits is 7.4%pa.

For most investors, the grossed up yield of 7.4%pa is the appropriate number to compare to interest rates, which of course are not franked. The BTI yield is markedly superior to cash rates available, so investors are generating a solid ongoing return, while getting the exposure to the potential capital appreciation which is the main focus of the fund.

The BTI dividend policy is fully franked dividends of 4% of Net Tangible Assets per annum, payable half yearly. When the BTI share price is lower than NTA, the cash yield will be higher than 4%, as is the case at 31st August.



Dividend payments are ongoing policy

BTI’s stated policy is to continue to pay regular ongoing dividends of 4% of Net Tangible Assets per annum.

With a cash balance of over \$100m and franking credits to support fully franked dividends at the current rate for a period of 6.4 years, the policy is intended to endure over a long period.

We arrived at this policy in June 2022 after careful consultation with a wide range of shareholders. We believe it strikes the right balance of providing a regular tax efficient income stream for investors, while allowing BTI sufficient capital to invest in attractive opportunities likely to generate significant capital gains.

Generating significant capital gains in the portfolio remains the primary focus of the team, and we are glad to report our confidence that a number of the existing portfolio will do just that.

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 August 2023 was \$1.77 (July 2023 \$1.70). Key movements in NTA are noted below.

Movement in NTA per share (pre-tax) August 2023

Increase in SiteMinder (ASX:SDR) share price to \$4.89 (July 2023 \$4.21)	7.8c per share
Increase in Straker (ASX:STG) share price to \$0.63 (July 2023 \$0.57)	0.4c per share
Operating expenses and interest	-1.2c per share

Operating expenses include provision for performance fee not yet payable.

SiteMinder [ASX:SDR]

SiteMinder [released its FY23 results to the market](#) showing accelerated growth and improved unit economics. Highlights included total revenue up 30.5% year-on-year, and ARR increased 33.5%. CEO Sankar Narayan said: "Following a period of unprecedented disruption, in FY23 we accelerated our subscriber growth and reprioritised our investments with significant improvements in profitability and unit economics. We delivered on the major initiatives we set out to do and importantly, embarked on a new journey to drive the convergence of key revenue generating capabilities for hoteliers – automated revenue optimisation, intelligence and distribution."

[Click here](#) to view SiteMinder's Annual Report FY2023. [Click here](#) to view Investor Briefing presentation. [Click here](#) to view SiteMinder's Sustainability Report FY2023.

Rezdy

Following Bailador's [announcement to the ASX on 5 June 2023](#), it has been confirmed that [the acquisition of Rezdy was part of a merger of two other prominent booking software businesses including Regiondo and Checkfront](#). The consolidation significantly strengthens the businesses' market position across key markets of North America, Europe and Asia Pacific, and accelerates the digitisation of the tours and activities sector globally.

Bailador elected to roll 100% of its investment in Rezdy and invest a further \$2.5m in the consolidated entity. The total value of Bailador's investment at transaction close was \$24.9m, which translated to a 46% valuation uplift and an effective IRR of 21%.

Rezdy partnered with the South Australian Tourism Commission (SATC) to help regional tourism operators to bring their experiences online.

Rosterfy

[Rosterfy is working with Meals on Wheels](#) Queensland to provide the tools to automate the onboarding of its new volunteers through registration, training, checks and linking to their local service providers.

Nosto

An online clothing brand using the Nosto platform says the [technology helped increase sales](#). Chelsea Peers, which sells loungewear and sleepwear, uses Nosto's Commerce Experience Platform to tailor the shopping experience for customers looking for curve and maternity pyjamas. Nosto's AI powered Category Merchandising automatically optimises the way it displays and ranks

products on category pages in real-time to appeal to specific customer segments.

straker  **Straker [ASX:STG]**

Straker held its AGM on 24 August. [Click here](#) to view the presentations from the meeting. [Click here](#) to view the results of the meeting.

Straker Translations [changed its name to now be known as “Straker”](#). The company’s name change signifies the evolution of the Straker technology and its applicability to adjacent and fast-growing markets such as the verification of AI driven content. Straker’s ASX code is unchanged.

BAILADOR  **Bailador**

The [New Zealand Herald wrote about Bailador’s](#) hunt for outstanding technology companies to join its portfolio of investments.

Bailador’s [latest column with Stockhead](#) looks at the what we have learned from investing in InstantScripts. The investment returned a 62% IRR for the fund when the company was acquired by Wesfarmers.

David Kirk sat down to lunch for an [interview with the New Zealand Herald’s Shayne Currie](#).

Bailador’s FY23 final dividend (3.2 cents per share fully franked) was paid to shareholders on 7 September. 22% of Bailador shareholders opted to take their dividend in Bailador shares under the Company’s DRP.

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.

BTI Portfolio Net Tangible Asset Summary

	Valuation (\$'m)	Gain (%)		NTA per share (\$)	Third Party Event Valuation	Next Valuation Review ¹
SiteMinder	81.7	494%	▲	0.56	✓	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	5.8	(30%)	▼	0.04	✓	Mark to market each month end
Cash	108.5			0.75		
Other ²	(6.5)			(0.04)		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	256.5			1.77		

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 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 3rd 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
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