



A Smart Approach to Technology Investment

ASX Small and Mid-Cap Conference

20 September 2023

Bailador Technology Investments Limited (ASX:BTI)



**Bailador provides investors
with access to high-growth
expansion-stage technology
companies at attractive valuations.**

Bailador profile

Bailador is an Expansion Capital Fund



Specialist in
Information Technology



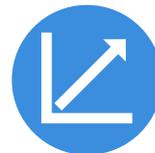
Invests in
Private Companies



Portfolio of
8-12 Investments



Actively managed by an
Experienced Team



Track record of
**Strong Performance &
Cash Realisations**



Returns from
**Capital Gains &
Cash Dividends**

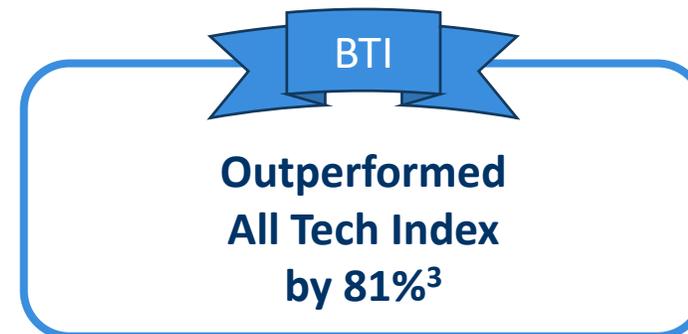
Listed on the ASX, providing access, liquidity and dividends

Bailador has delivered a 103% total cumulative return since 1 July 2020
– through a combination of capital growth and fully-franked dividends¹

+103% **Share price + Dividends² + Franking credits**

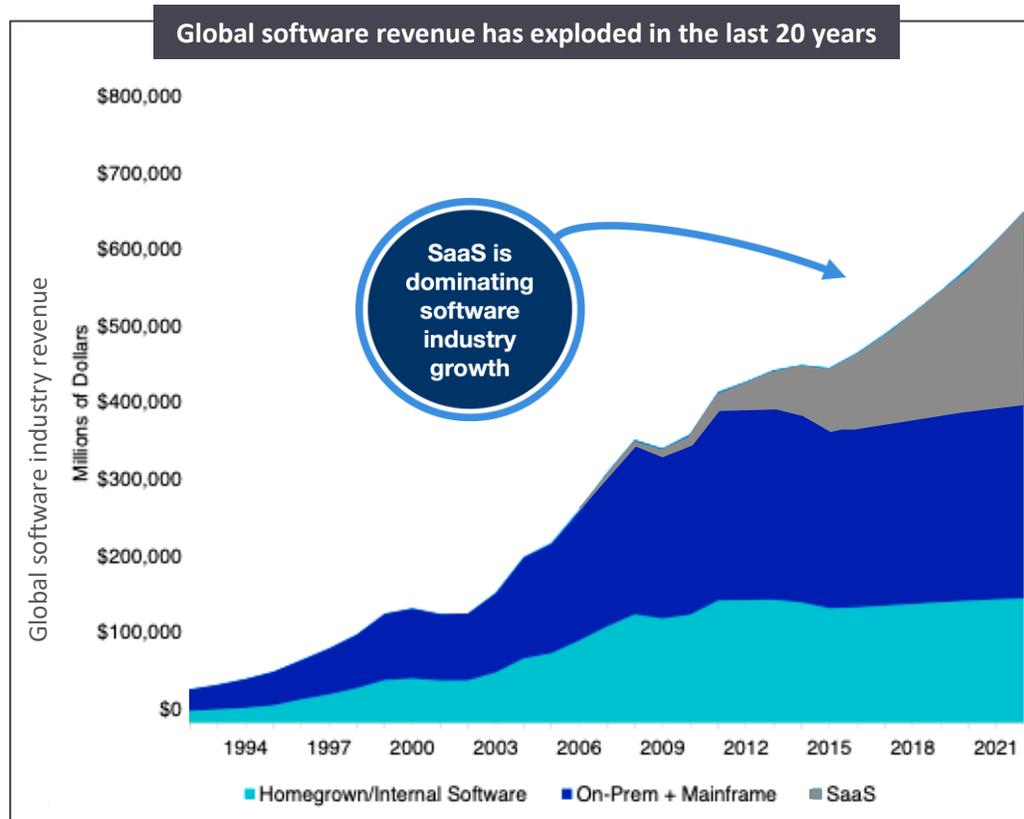
+95% **Share price + Dividends²**

+78% **Share price**



The Information Technology sector provides opportunities for premium returns

- Technology continues to evolve rapidly, creating opportunities
- Australian tech companies can address global markets, achieving high growth
- High quality economics of tech companies – don't need a large amount of capital to grow large



Bailador has had particular success investing in Software as a Service (SaaS) companies

The Software-as-a-Service (SaaS) model has attractive investment characteristics – and enables global reach from anywhere in the world

SAAS CHARACTERISTICS

- Build one software platform
- Sell it thousands of times on subscription model
- Recurring monthly or annual licence revenue with the opportunity to add consumption pricing
- High gross margins - typically 70%+
- Cost to serve additional customers is minimal, so additional margin drops to the bottom line
- Highly scalable:
 - One central development team
 - Unit economics can apply to any market

AUS/NZ SAAS EXAMPLES

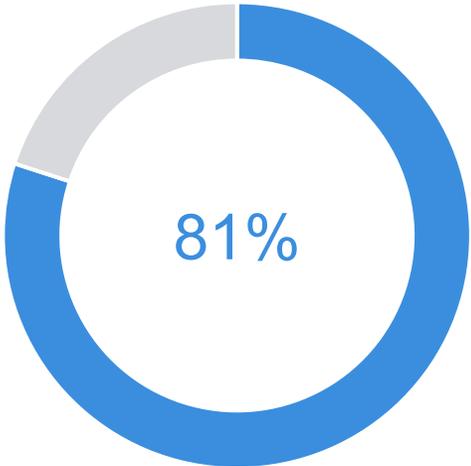
	Market cap
 ATLASSIAN	\$81.1bn
 wisetech global	\$22.9bn
 xero	\$18.9bn
 Altium	\$6.4bn

Australia and New Zealand have already produced notable successes in SaaS but this is the tip of the iceberg of emerging Australian SaaS companies

Bailador invests in high growth technology companies

– Favouring SaaS, Digital Healthcare and Marketplace models

SaaS



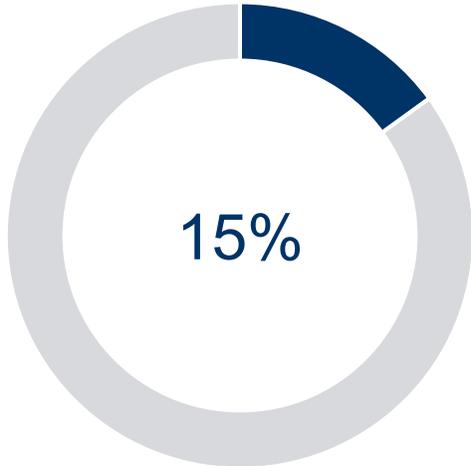
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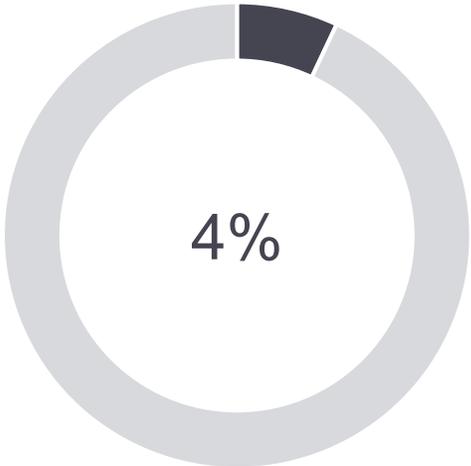
Digital Healthcare



 access
telehealth

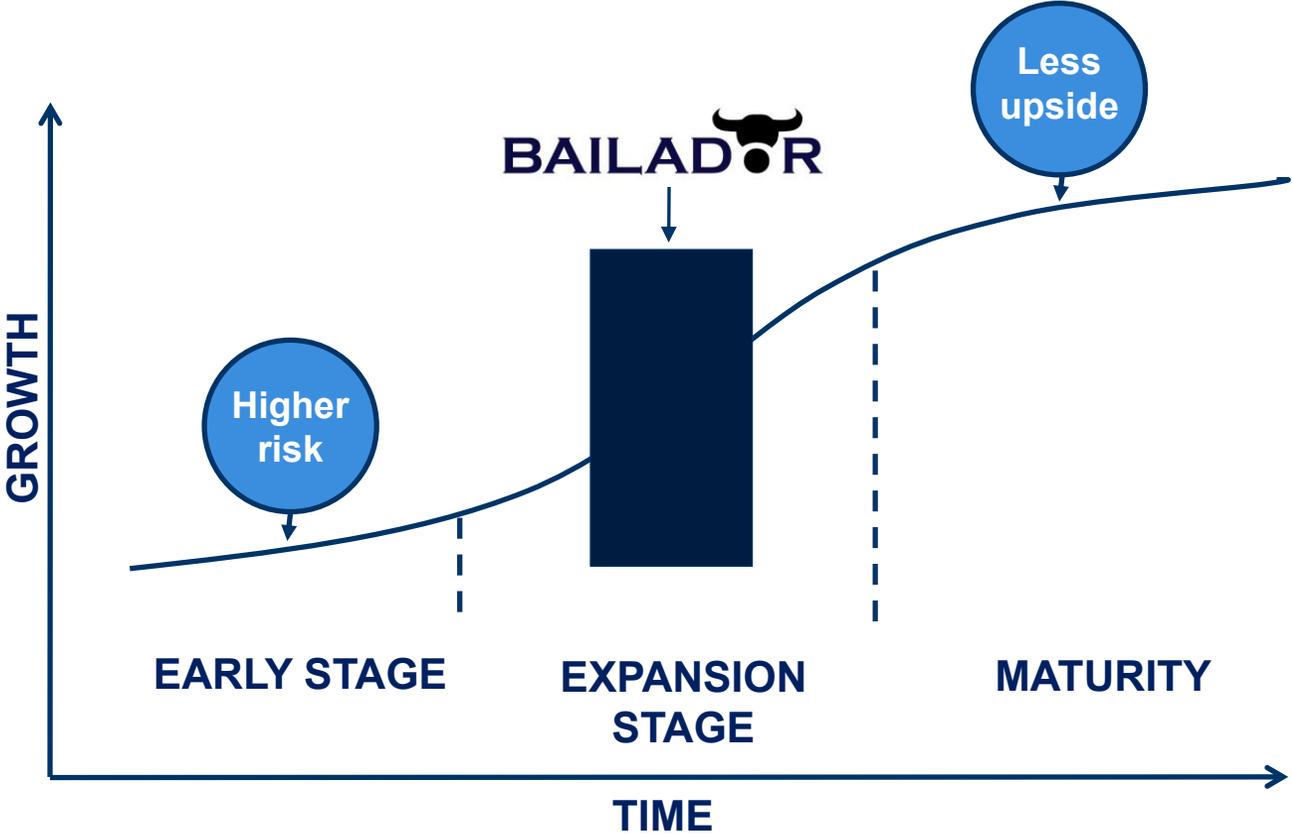
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Marketplace



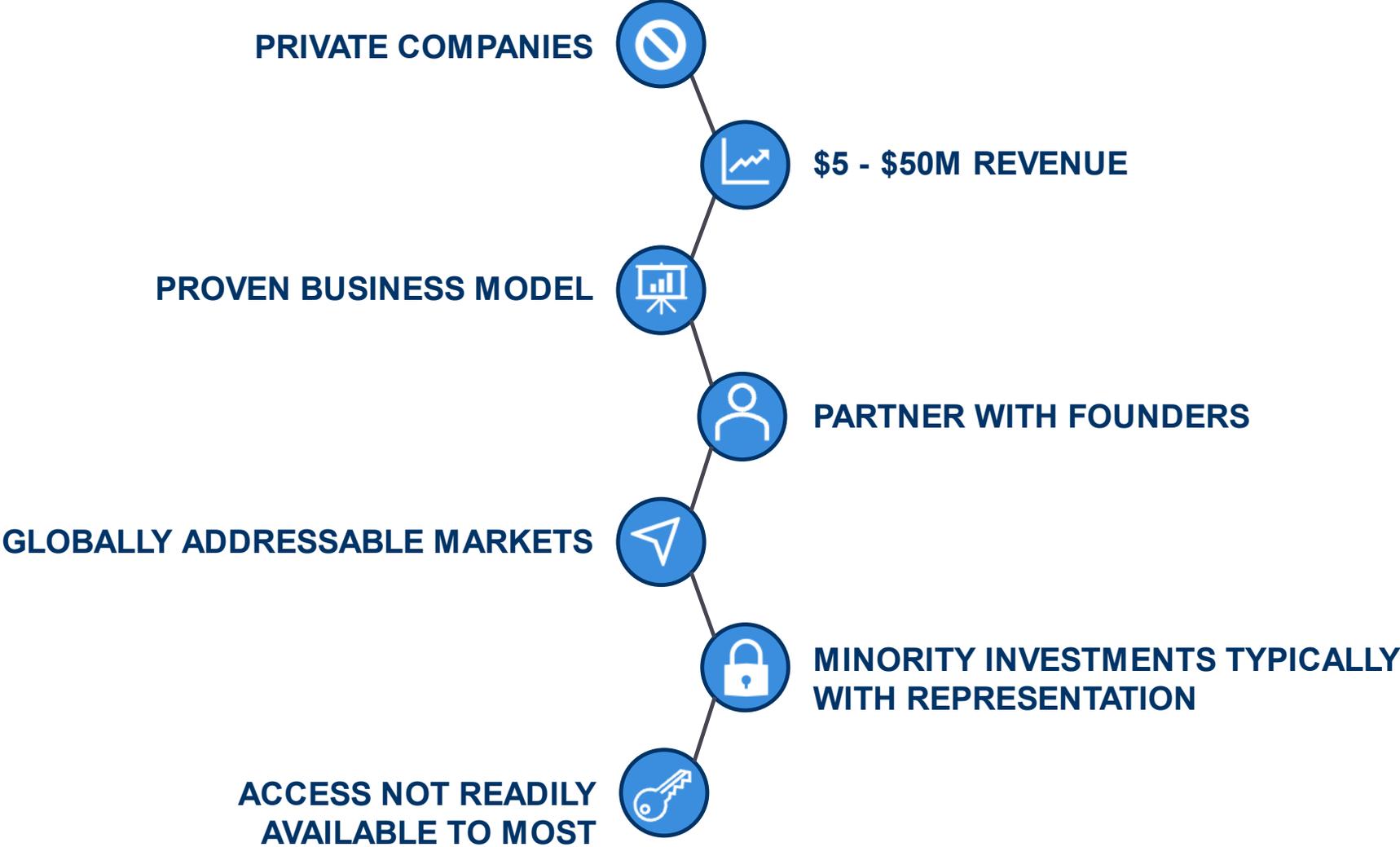
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Expansion-stage investing has the most attractive risk/reward balance



Allows access at attractive valuations before available directly to the public

Bailador invests at the Expansion Stage



Our business model is designed to generate cash realisations that are a multiple of investment cost



INVESTING

Diligence hundreds of opportunities to select the best



GROWING

Partner with management to scale globally



REALISING

Prepare businesses for sale or IPO

instaclustr – in May 2022 delivered \$118m cash at 80% IRR



\$8.4m
cash invested

\$118.4m
cash realised

80%
IRR

87%
uplift at cash realisation

Business Overview

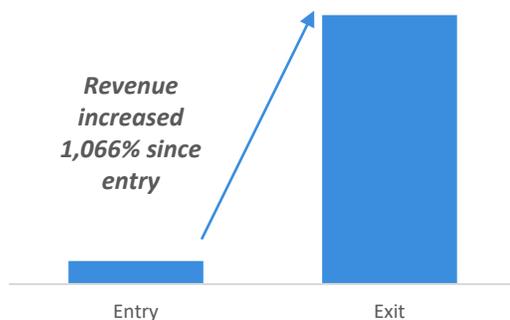
- Database management platform
- Exceptional Unit Economics
- Loyal customers
- World-leader with Canberra HQ

Investment Thesis

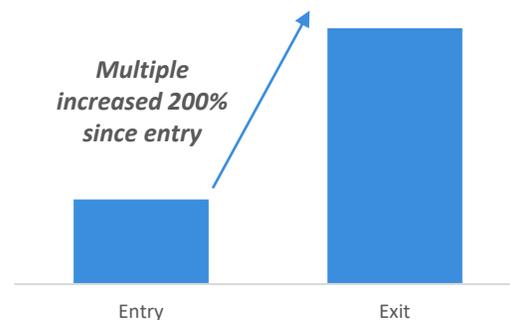
- Huge Addressable Market with multiple tailwinds – big data cloud migration, open source
- Globally scalable
- Exceptional management

Business Performance

LTM Revenue Increase

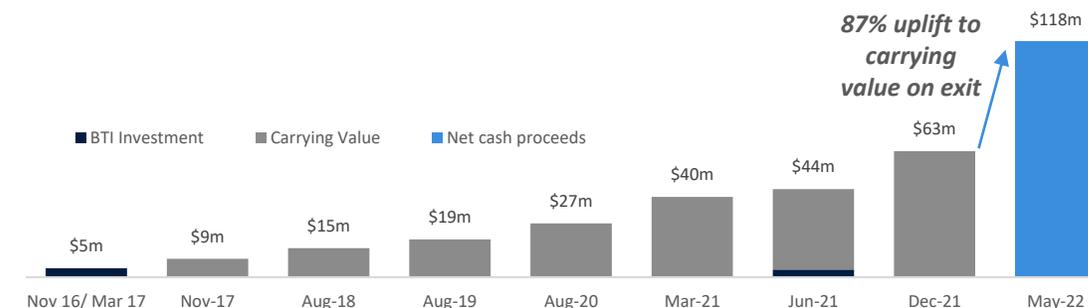


LTM Revenue (Valuation) Multiple Increase



Investment Outcome

- Business sold to NetApp
- BTI proceeds \$118m cash vs \$8.4m cost at 80% IRR



InstantScripts – in July 2023 delivered \$52m cash at 62% IRR



\$30.2m
cash invested

\$52.1m
cash realised

62%
IRR

25%
uplift at cash realisation

Business Overview

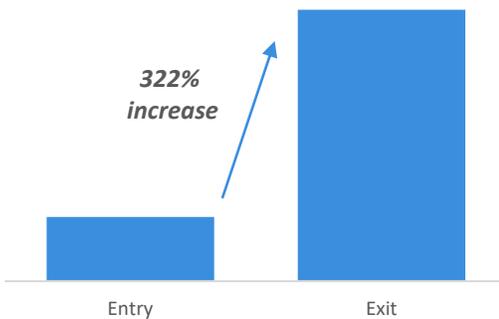
- Digital health platform
- Scripting and video consult
- Exceptional consumer take up

Investment Thesis

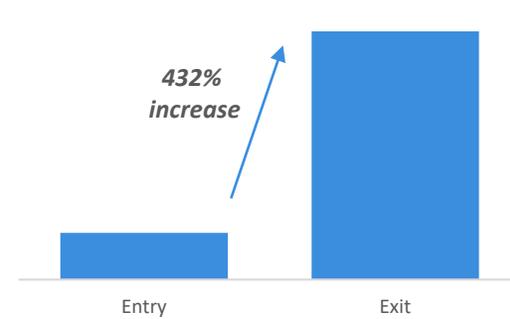
- Compelling product market fit – loved by customers
- Improved health outcomes and good for health system
- Exceptional management

Business Performance

Patient Interactions Increase

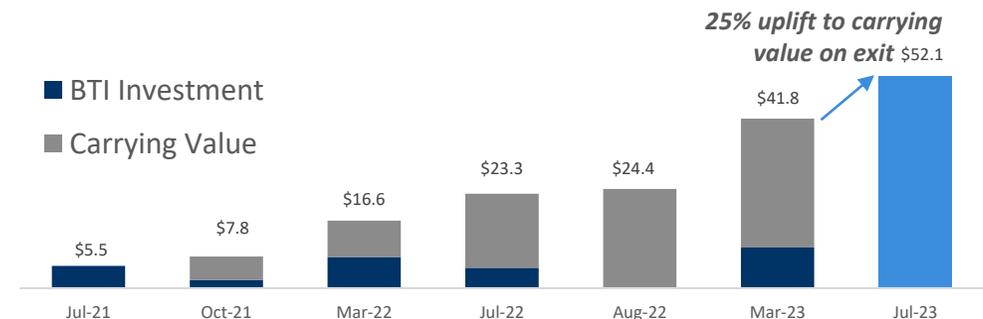


Run-rate revenue Increase

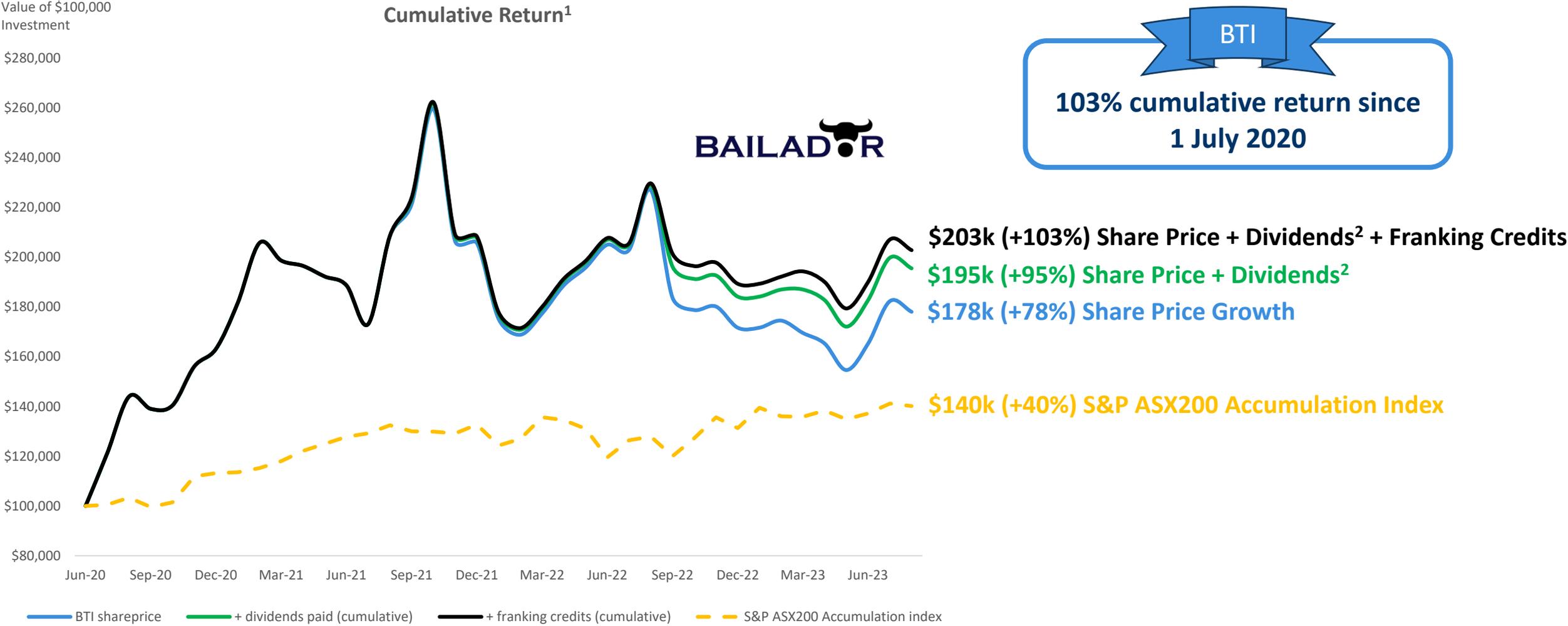


Investment Outcome

- Business sold to Wesfarmers
- BTI proceeds \$52m cash vs \$30.2m cost at 62% IRR



Returns generated by share price growth, as well as distribution of dividends and franking credits



Source: BTI Analysis. Note: ¹1 July 2020 - 31 August 2023. ²Includes dividends paid over 1 July 2020 – 31 August 2023.

Ongoing fully franked cash dividend

BTI Grossed Up Yield¹ 7.4% p.a.

BTI Cash Yield¹ 5.3% p.a.

Bailador has committed to paying a dividend of 4% of NTA (pre-tax) p.a.

- Paid half yearly
- Fully franked

Sustainable long term

- Current franking credits support over six years of dividend at current rate
- Cash balance >\$100m

Bailador has a well-established track record of valuing its private investments conservatively

– and outperforming those valuations with cash realisations



**12 cash realisations
(full and partial)**

→ All 12 realisations above carrying value

→ Average **39% uplift** to carrying value at exit

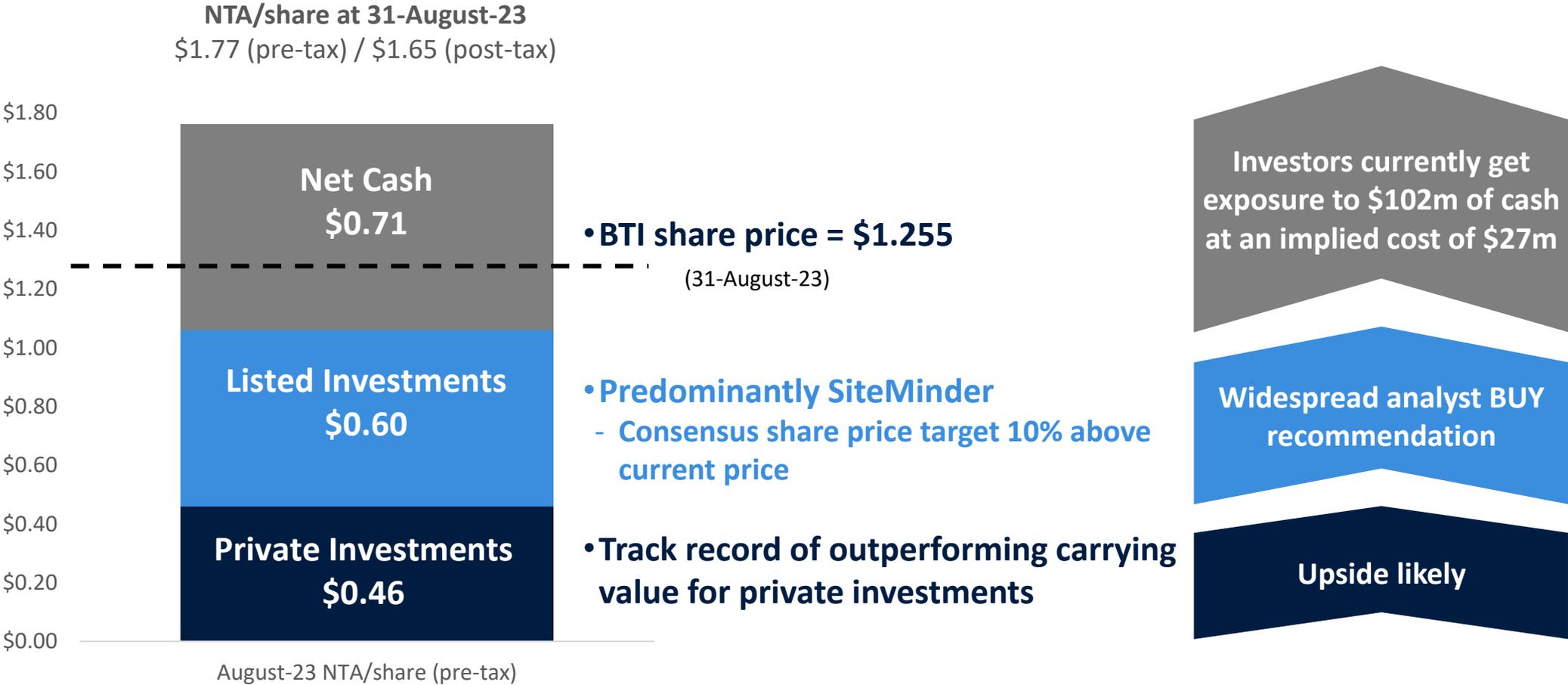


**34 third party
transactions in
portfolio companies**

→ All 34 third party transactions have been at or above carrying value

**Bailador's track record indicates that private investments
are likely to be realised for greater than carrying value**

Investors are currently able to access the BTI portfolio at an attractive price



**Bailador provides investors
with access to high-growth
expansion-stage technology
companies at attractive valuations.**

Investors get access through an ASX traded share [[ASX:BTI](#)] with liquidity available at any time.

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This report was authorised for release to the ASX by Helen Foley, Company Secretary & Chief Financial Officer, on 20 September 2023.

FURTHER INFORMATION

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