

Bailador Technology Investments [ASX:BTI] Shareholder Update

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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Recent Results

-  [FY24 Results Presentation](#)
-  [Annual Report 2024](#)
-  [HY24 Results Presentation](#)

This report was authorised for release to the ASX by Helen Foley, Company Secretary and Chief Financial Officer, on 6 December 2024.

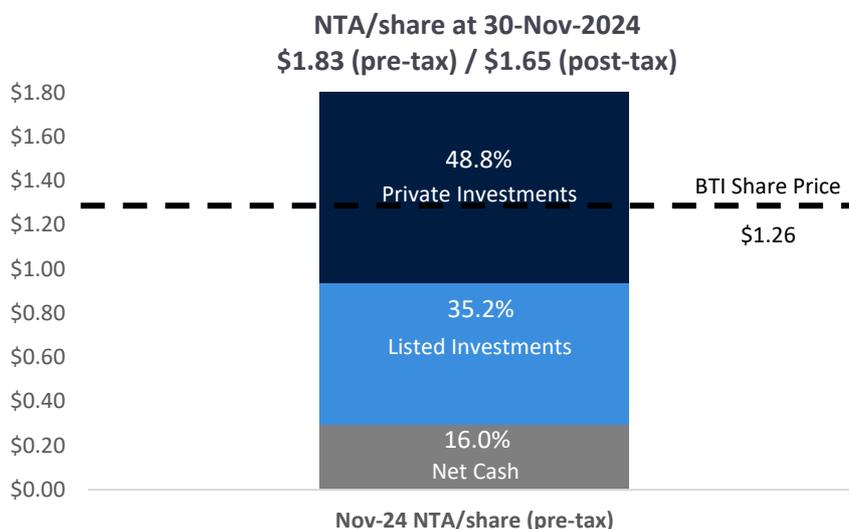
Notes

¹Portfolio return post-tax calculated as the compound annual growth in NTA per share (post-tax) after all fees, plus dividends paid.

²Shareholder return calculated as the compound annual growth in BTI share price plus dividends paid.

³Cash dividend grossed up for franking credits and annualised. Based on share price at close prior to dividend declared.

Net Tangible Asset Snapshot



Fund Performance

Annual returns to 30 November 2024	1-Year	2-Year	5-Year
Net Portfolio Return post fees and tax (pa) ¹	7.6%	9.9%	12.3%
Shareholder Return (pa) ²	11.0%	5.1%	9.0%

Dividends	Aug-24	Feb-24	Aug-23
Dividends paid (cps)	3.4c	3.5c	3.2c
Dividend yield (annualised grossed-up) ³	7.8%	7.0%	6.7%

Notes: Refer left margin.

Founders' Commentary

Artificial Intelligence: Insights and Opportunities for Growth Equity

On 15 November 2024, Bailador held a professional development offsite dedicated to exploring the transformative role of Artificial Intelligence (AI) in investing, and the potential to unlock growth opportunities for our portfolio companies. Speakers from CSIRO Data61 (the data and digital specialist arm of Australia's national science agency) and Minotaur Capital (an AI-driven public equities investment fund) shared insights into AI's capabilities, and its evolving role in investing and operational efficiency.

Understanding AI: from supervised to deep learning

We started with a presentation from Professor Liming Zhu, Research Director at CSIRO Data61 and conjoint professor at UNSW. Professor Zhu provided a comprehensive overview of AI's evolution from supervised learning (human prompted learning) to deep learning (autonomously processing data to generate output).

Professor Zhu shared key strategies for effectively harnessing AI, including:

- **Optimise productivity gains from outperformers and junior users:** The most significant productivity gains from AI tools are typically linked to the AI user, not the specific task. For instance, in one study outputs of top-decile scientists increase by 81% and productivity amongst junior programmers increased around 50%, with less pronounced improvements amongst other employees.¹
- **Experiment and iterate:** AI thrives in environments with bottom-up experimentation and deep human expertise. The best outcomes are not achieved by hiring AI specialists, but through embedding AI in an organisation’s culture and allowing it to evolve organically through experimentation, and then sharing the best uses and outputs.
- **Recognise that results are probabilistic:** AI produces probabilistic outcomes, meaning that its responses can vary even with identical inputs. This inherent variability presents both challenges and opportunities for refining interactions with AI.

Professor Zhu also highlighted the next frontiers for AI development, noting implications for investment in advanced chips and data warehouses, and replacement of human content creation and software development as AI becomes more intelligent over unstructured data.

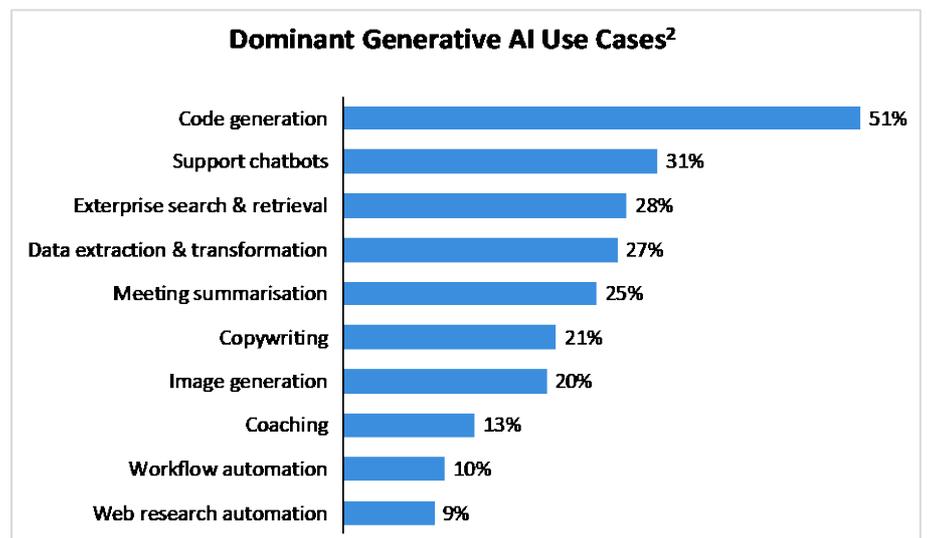
Streamlining decision-making and deal sourcing

Armina Rosenberg and Thomas Rice of Minotaur Capital then presented on how they use AI to enhance their internal investment processes, providing us with a demo of their idea generation and portfolio management software, Taurient.

The session also delved into notable use cases such as:

- **Automation of routine tasks:** AI can reduce the time spent on administrative tasks such as high-level summarisation and drafting, allowing teams to focus on more strategic activities.
- **Enhancement of deal sourcing:** AI-driven tools now scour the internet for valuable data signals, such as tracking LinkedIn, social media activity, and customer feedback. These insights help identify potential investment opportunities more quickly and accurately.
- **Augmentation of investor relations:** AI can also assist in portfolio management by automating the extraction of data from emails, CRM systems, and distribution lists, enriching the investor's insights into prospective partners or portfolio companies.

As shown in the graphic below, adoption trends point to a subset of use cases already delivering tangible ROI through enhanced productivity or operational efficiency:



Notes

¹Source: Aidan Toner-Rodgers, ‘Artificial Intelligence, Scientific Discovery, and Product Innovation’, 6 November 2024.

²Source: Menlo Ventures, 2024.

The session ended with key learnings about how to prevent mistakes, for example by adding human checks, tailoring and standardising prompting techniques, adding de-hallucination code to check the veracity of quotes or links and robust evaluation frameworks.

Using AI for operational excellence

During the working sessions, the Bailador team explored the potential benefits and risks AI presents for our portfolio companies. Several key opportunities emerged:

- **Customer service efficiency:** AI-driven tools can enhance customer support, making interactions faster, more responsive, and personalised.
- **Content and documentation generation:** AI can streamline the creation of presentation materials and drafting of standardised documentation, reducing operational bottlenecks.
- **Fraud detection and software development:** AI systems can improve fraud detection and optimise software development processes, enhancing efficiency and security for portfolio companies.

We also evaluated our own internal investment processes. We see opportunities to employ AI in a range of ways, including:

- **Deal sourcing and screening:** AI can assist in extracting key signals, such as revenue growth, employee expansion, and customer feedback, across various platforms, thus reducing time spent on manual searches and improving decision-making.
- **Portfolio management:** AI tools can automate the collection of portfolio metrics, monitor industry trends, and assist with investor relations.
- **M&A and exit strategy support:** AI can track potential merger candidates, buyers and market conditions, providing valuable insights to ensure the team are well-prepared to act when opportunities arise.

The future of growth equity in an AI-driven world

AI is set to play an increasing role in growth equity investing. As AI technology continues to advance, it may influence how the team sources deals, evaluates investment opportunities, and manages the portfolio. Factors to consider include adoption of a forward-thinking approach that prioritises ongoing experimentation, iteration, and the integration of AI into both our internal operations and those of our portfolio companies.

David Kirk & Paul Wilson
Bailador Co-Founders

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.

Highlights

Movement in NTA BTI's NTA per share (pre-tax) at close of November 2024 was \$1.83 (October 2024 \$1.83). Key movements in NTA are noted below.

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

Decrease in SiteMinder (ASX:SDR) share price to \$6.61 (October 2024 \$6.63)	-0.2c per share
Increase in Straker (ASX:STG) share price to \$0.475 (October 2024 \$0.425)	0.3c per share
Operating expenses and interest	-0.1c per share

Operating expenses and interest includes provision for performance fee that is not yet payable.

RC TopCo  Checkfront [announced a partnership with Campspot](#), an online marketplace for reservations at campgrounds, RV parks, cabins and glamping.

DASH  DASH [worked with digital investment platform and robo advisory firm Stockspot to launch a new superannuation vehicle](#) that invests exclusively in exchange traded funds (ETFs). Stockspot Super was co-built by the two firms to offer a less complex alternative to a self-managed super fund. Investments are tailored based on each member's age and risk capacity, and valued on market each day.

DASH [won the AI Innovator – Information Technology category at the Australian AI Awards 2024](#), coming out on top against competitors such as Bigtincan, EY and GitHub. The awards recognise professionals, organisations and solutions that are transforming the Australian economy.

DASH [CEO Andrew Whelan spoke to Ausbiz](#) about the growing role of AI in financial services. He also spoke to Independent Financial Advisor about the future for AI in the financial advice space.

updoc  Updoc was named [winner of the Challenger B2C category in the AFR Customer Champions List 2024](#). The awards are given by the Australian Financial Review in association with Kearney to organisations that are champions in the eyes of customers and shareholders for taking a different approach to business. Updoc was praised for generating over 200% compounded revenue growth from June 2022 to June 2024.

Updoc was [ranked #7 in the Deloitte 2024 Tech Fast 50 awards](#). Now in its 24th year, the program recognises, profiles and celebrates Australia's fastest-growing tech companies. It ranks the nation's top 50 companies based on percentage of revenue growth over the previous three years. Updoc grew an impressive 1,207% over the period.

rosterfy  Third Sector wrote that [Rosterfy is transforming volunteer engagement with its revolutionary new volunteering app](#). It marks a significant milestone in the company's mission to innovate by making volunteering more accessible, encouraging more people to connect to causes they are passionate about.



Straker released its FY25 Interim Results to the market. Highlights include:

- H1 FY25 revenue of \$22.7m, with cash receipts higher at approximately \$24m
- Gross Margin remained strong at just over 67%, up 640 basis points versus the previous corresponding period
- Consistent profitability with H1 FY25 adjusted EBITDA of \$1.67m
- Continued positive Operating Cash Flow with \$1.67m delivered, up almost 17% versus the immediate preceding half

[Click here](#) to read the ASX release. [Click here](#) to view the presentation. [Click here](#) to read Straker's Interim Report.



Bailador's [latest column with Stockhead](#) looks at future growth in our portfolio.

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)	NTA per share (\$)	Third Party Event Valuation	Next Valuation Review ¹
SiteMinder	90.6	0.61	✓	Mark to market each month end
RC TopCo	25.8	0.18	✓	May 2025
DASH	25.0	0.17	✓	October 2025
Access Telehealth	24.0	0.16		December 2024
Updoc	20.0	0.14	✓	May 2025
Rosterfy	17.1	0.12	✓	October 2025
Hapana	7.7	0.05	✓	August 2025
Mosh	7.5	0.05	✓	December 2024
Straker	4.4	0.03	✓	Mark to market each month end
Nosto	4.2	0.03	✓	June 2025
Cash	46.8	0.32		
Other ²	-3.6	-0.03		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	269.5	1.83		

Denotes change to valuation in current month

Denotes valuation review in next six months

Notes: ¹Next 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. ²Includes 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	RC TopCo	DASH	Access Telehealth	Updoc
Type:	SaaS/B2B	SaaS	SaaS/B2B	Digital Healthcare/B2C	Digital Healthcare/ Marketplace/B2C
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	Financial advice and investment management software platform used by independent financial advisors and financial institutions	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
HQ:	Sydney	Vancouver	Sydney	Melbourne	Sydney
Staff:	750-1000	250-500	50-100	100-250	1-50



Name:	Rosterfy	Hapana	Mosh	Straker	Nosto
Type:	SaaS/B2B	SaaS/B2B	Digital Healthcare/B2C	Marketplace/Machine Learning	SaaS/B2B
About:	Volunteer management software platform that connects communities to events and causes they are passionate about	End-to-end software platform focused on the fitness and wellness sector	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	Leading AI-powered e-commerce personalisation platform
HQ:	Melbourne	Sydney	Sydney	Auckland	Helsinki
Staff:	1-50	50-100	1-50	100-250	100-250