



# Annual General Meeting

2 November 2023

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Bailador Technology Investments Limited (ASX:BTI)

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**David Kirk**

**Co-Founder & Managing Partner**

# The Bailador Board



**David Kirk, Executive Chairman**

- Appointed 2014
- Re-election this AGM



**Andrew Bullock, Non-Executive Director**

- Appointed 2014
- Chair of Audit and Risk Committee
- Re-elected October 2022



**Paul Wilson, Executive Director**

- Appointed 2014
- Re-elected October 2021



**Jolanta Masojada, Non-Executive Director**

- Appointed 2018
- Chair of Nomination and Remuneration Committee
- Re-elected October 2021



**Helen Foley, CFO & Company Secretary**

- Appointed 2014



**Brodie Arnhold, Non-Executive Director**

- Appointed 2019
- Re-elected October 2022

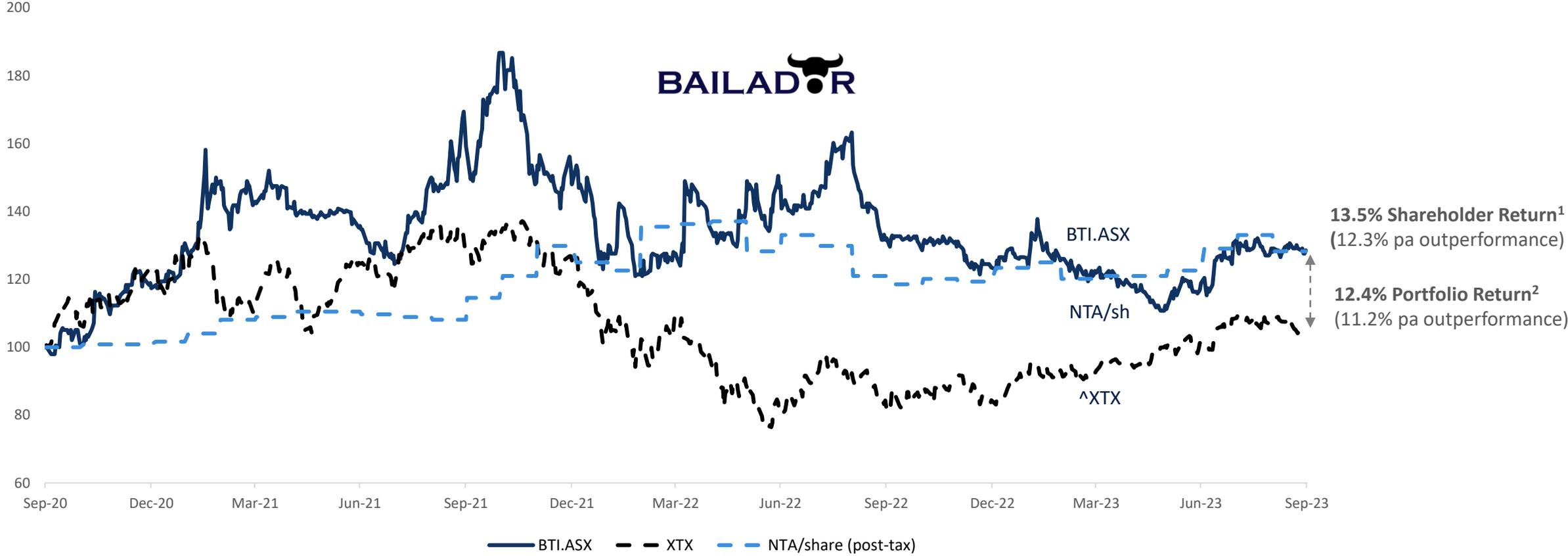


**Bailador provides investors  
with access to high-growth  
expansion-stage technology  
companies at attractive valuations.**

# Bailador has outperformed the technology sector over the last three-year period

Indexed  
30-Sep-20 = 100

BTI vs S&P ASX All-Technology Index (three years to Sep-23)

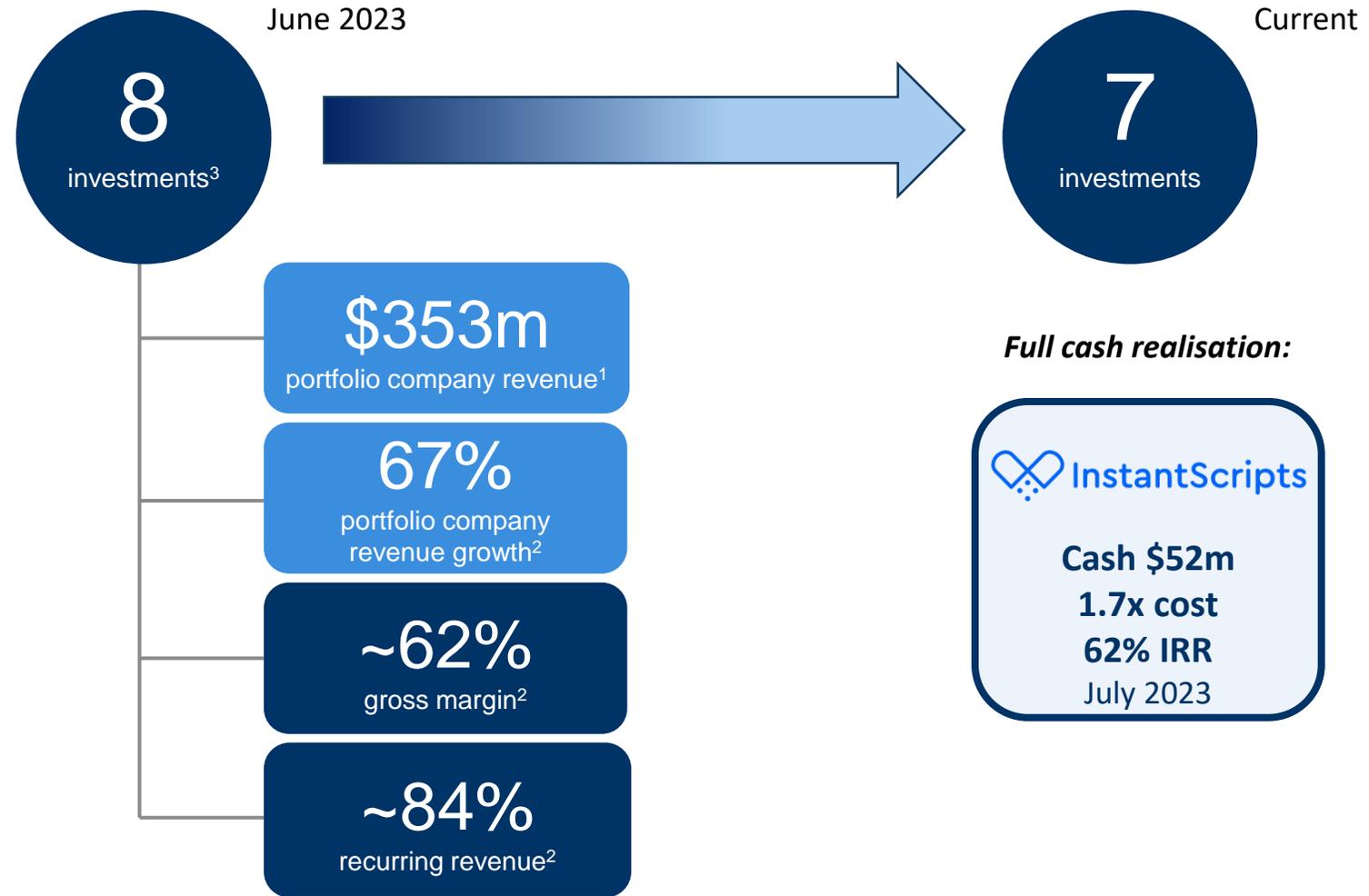


Note: <sup>1</sup>Portfolio Return calculated as the compound annual growth in NTA per share (post-tax) plus dividends paid. <sup>2</sup>Shareholder Return calculated as the compound annual growth in BTI share price plus dividends paid.

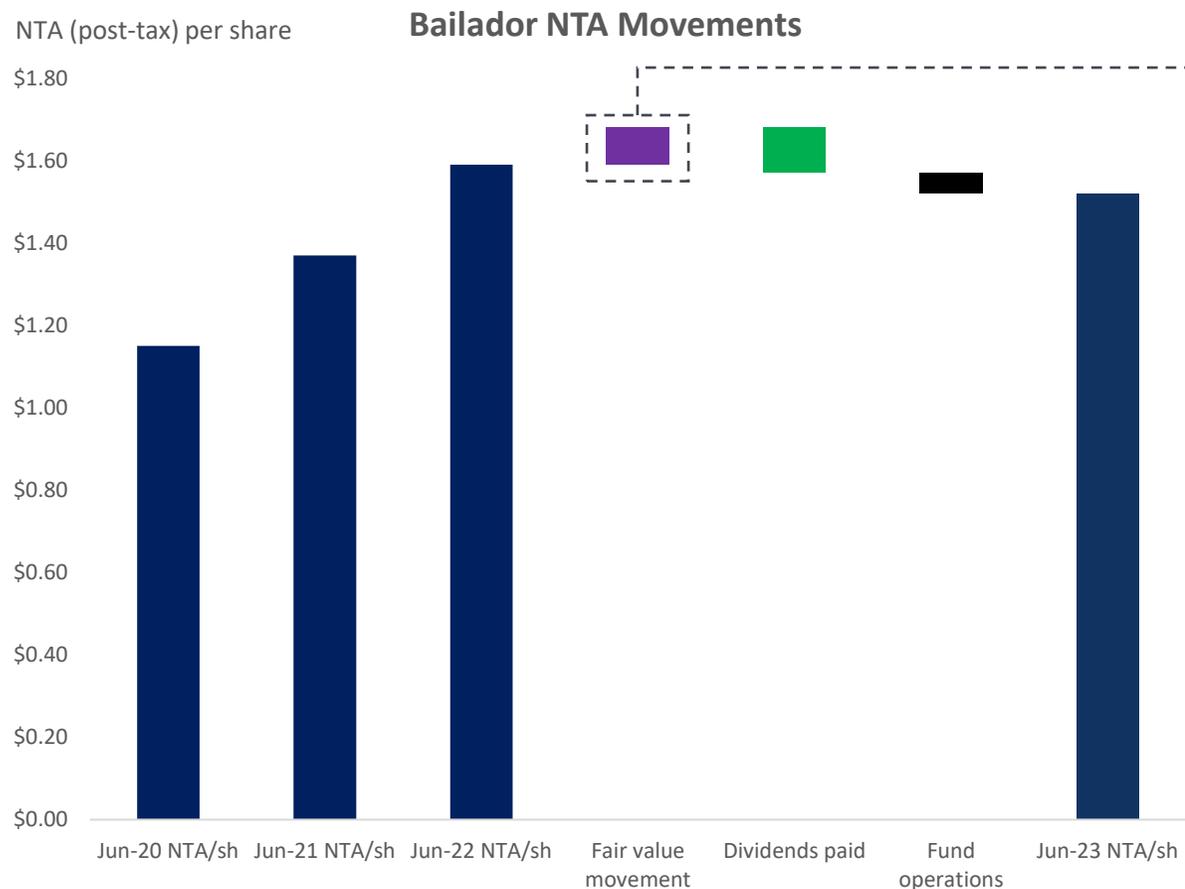
# 2023 Financial Year Summary

- ✓ **The BTI portfolio ended FY23 in a strong position with combined portfolio revenue of \$353m**
  - *67% growth over last 12 months*
- ✓ **FY23 dividend totalled 6.7 cents per share (fully franked) declared<sup>1</sup>, part of ongoing dividend commitment**
  - *Represents an annual yield of 5.3% (7.4% on a grossed-up basis)*
  - *Included Final dividend of 3.2 cents per share (fully franked) paid in September 2023*
- ✓ **NTA per share (post-tax) down \$0.07 to \$1.52; Up \$0.04 for the year after adding back dividends paid**
  - *Strong growth in private company investments offset by reduction in listed portfolio company valuations*
  - *Private company valuations are all recent third-party transactions*
  - *Listed company valuations up \$27m or 50% to September 2023, representing \$0.19 NTA per share (post-tax)*
- ✓ **\$52m cash realisation**
  - *Full cash realisation of InstantScripts delivered 62% IRR*
- ✓ **\$4.5m written off**
  - *Brosa*
- ✓ **\$33m capital deployed**
  - *New investment in Rosterfy (\$10m)*
  - *Follow on investments in InstantScripts, Rezdy, Access Telehealth (\$23m)*
- ✓ **BTI is well positioned with Net Cash of \$99m (Sep-23) to take advantage of additional investment opportunities**

# The Bailador portfolio ended FY23 in a strong position



# NTA per share down \$0.07 to \$1.52; Up \$0.04 for the year after adding back dividends paid<sup>1</sup>

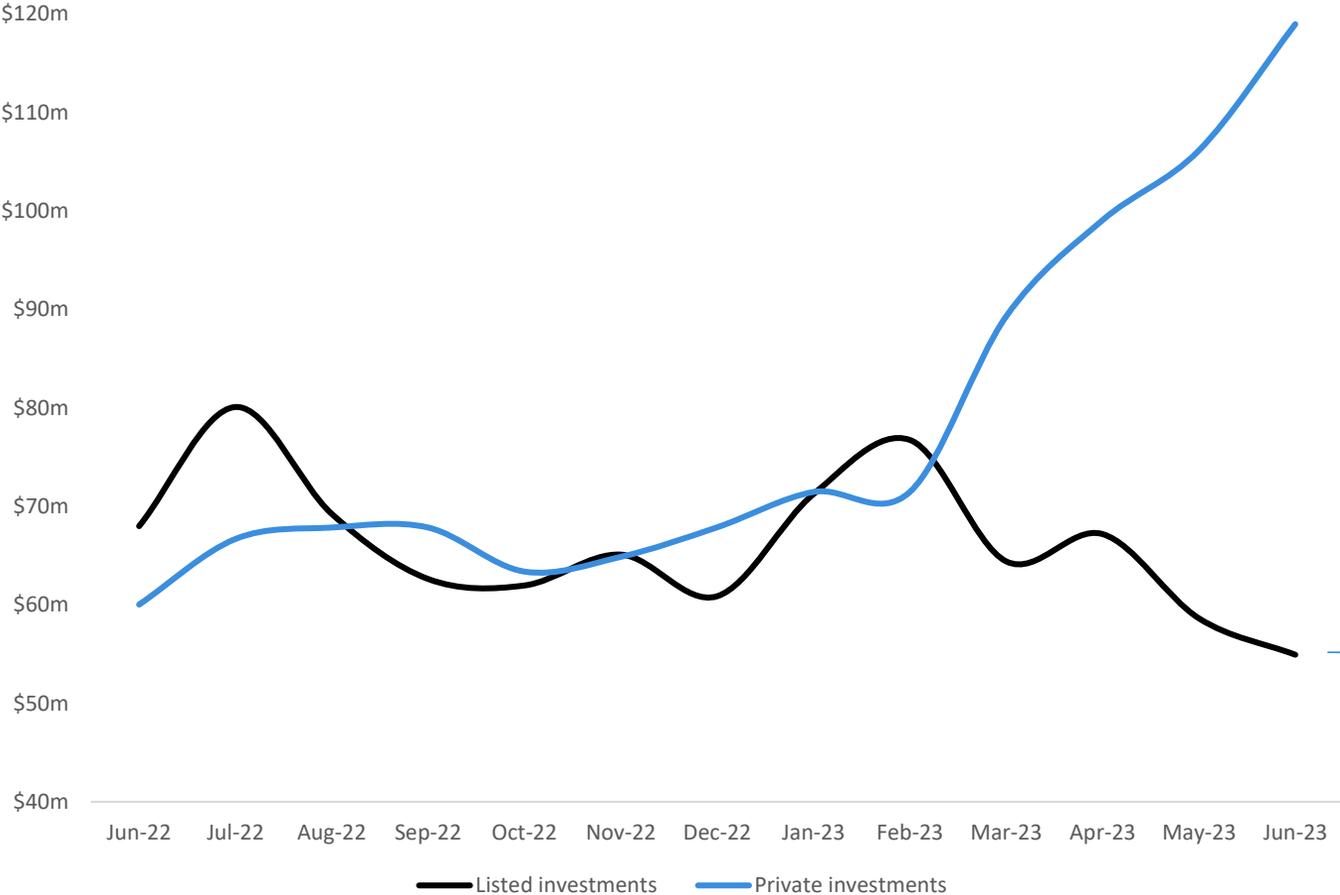


Investment	Fair Value Movement (\$m)	Fair Value Movement (%)	Third Party / M2M
InstantScripts	▲ \$20.5m	+65%	Y
Rezdy	▲ \$7.2m	+46%	Y
Access Telehealth	▲ \$3.0m	+24%	Y
SiteMinder	▼ \$9.9m	-17%	Y
Straker	▼ \$3.2m	-34%	Y
Brosa	▼ \$4.5m	-100%	N
<b>Total</b>	<b>▲ \$13.1m</b>	<b>+8.6%</b>	<b>-</b>

# Bailador's private investments have performed strongly

- Listed investments dominated by SiteMinder, impacted by year end market activity

BTI Portfolio valuation over FY23



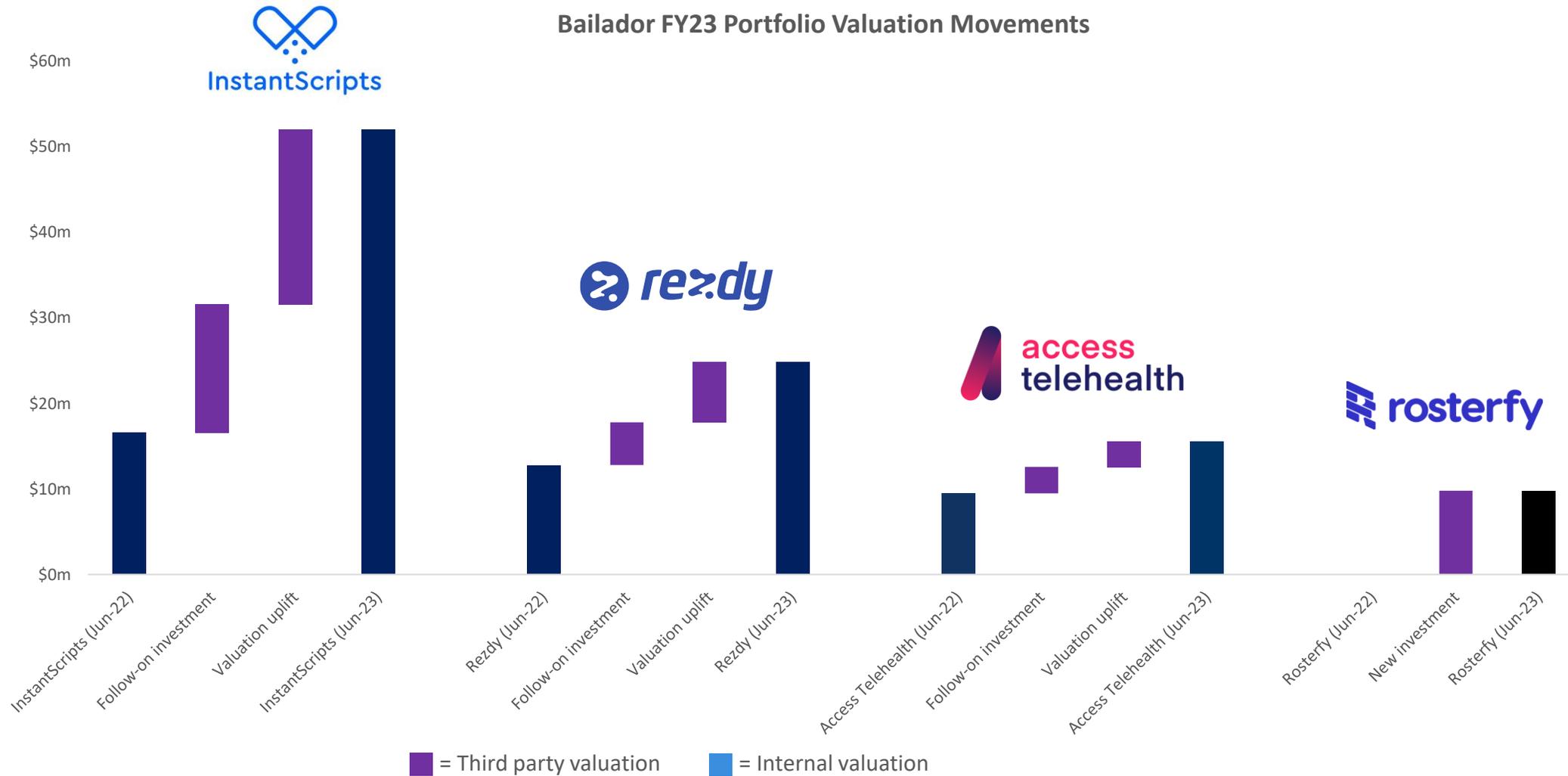
- SiteMinder represented 89% of BTI's listed investment portfolio valuation at 30 June 2023
- Strong recovery in share price following end of financial year selling

Strong share price recovery to 30-Sep-23



# All private company valuation increases priced by third party transactions

- Average valuation uplift of 31% from third party transactions



# Summary Profit and Loss

For the year ended 30 June 2023

	FY23 \$000	FY22 \$000
Change in value of portfolio assets	13,114	70,667
FX gains	110	-
Interest income	2,902	197
<b>Total investment growth</b>	<b>16,126</b>	<b>70,864</b>
Management fee	(4,353)	(4,451)
Performance fee	(1,833)	(10,625)
Cost of realisation of financial assets	(19)	(5,774)
Independent valuations	(56)	(65)
Directors' fees	(224)	(216)
Other operating expenses	(1,251)	(1,124)
<b>Total costs</b>	<b>(7,736)</b>	<b>(22,255)</b>
<b>Profit before tax</b>	<b>8,390</b>	<b>48,609</b>
Tax	(2,975)	(14,640)
<b>Profit after tax</b>	<b>5,415</b>	<b>33,969</b>

1.75% management fee calculated on pre-tax NTA

FY23 performance fee accrual only. No performance fee payable for FY23

# Bailador's commitment to ESG principles

- Bailador is establishing, integrating and implementing a long-term sustainability framework and goals
- Bailador is measuring, managing and mitigating carbon emissions we are directly responsible for
- In FY23, Bailador achieved the following results:



	Establish best practice at Bailador	Integrate ESG principles across the Bailador investment cycle	Work and influence portfolio companies
Governance	✓✓✓✓✓	✓✓✓	✓✓✓✓
People practices	✓✓✓✓	✓✓✓✓	✓✓✓
Climate change and carbon intensity	✓✓✓	✓✓	
Giving back	✓✓✓✓	✓✓✓	✓

**Paul Wilson**

**Co-Founder & Managing Partner**

# Bailador profile

## Bailador is an Expansion Capital Fund



Specialist in  
**Information Technology**



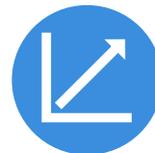
Invests in  
**Private Companies**



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**

# Summary



**Bailador has delivered solid returns and outperformed the market**



**The portfolio is conservatively valued with strong performance and prospects**



**Bailador is well positioned to make new investments**



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

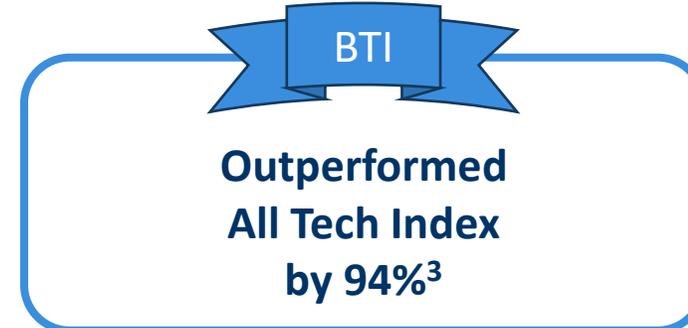
# Bailador has delivered a 110% total cumulative return since 1 July 2020

– through a combination of capital growth and fully-franked dividends<sup>1</sup>

**+110%**      **Share price + Dividends<sup>2</sup> + Franking credits**

**+101%**      **Share price + Dividends<sup>2</sup>**

**+79%**      **Share price**



# Ongoing fully franked cash dividend

**BTI Grossed Up Yield<sup>1</sup> 7.4% p.a.**

**BTI Cash Yield<sup>1</sup> 5.3% p.a.**

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

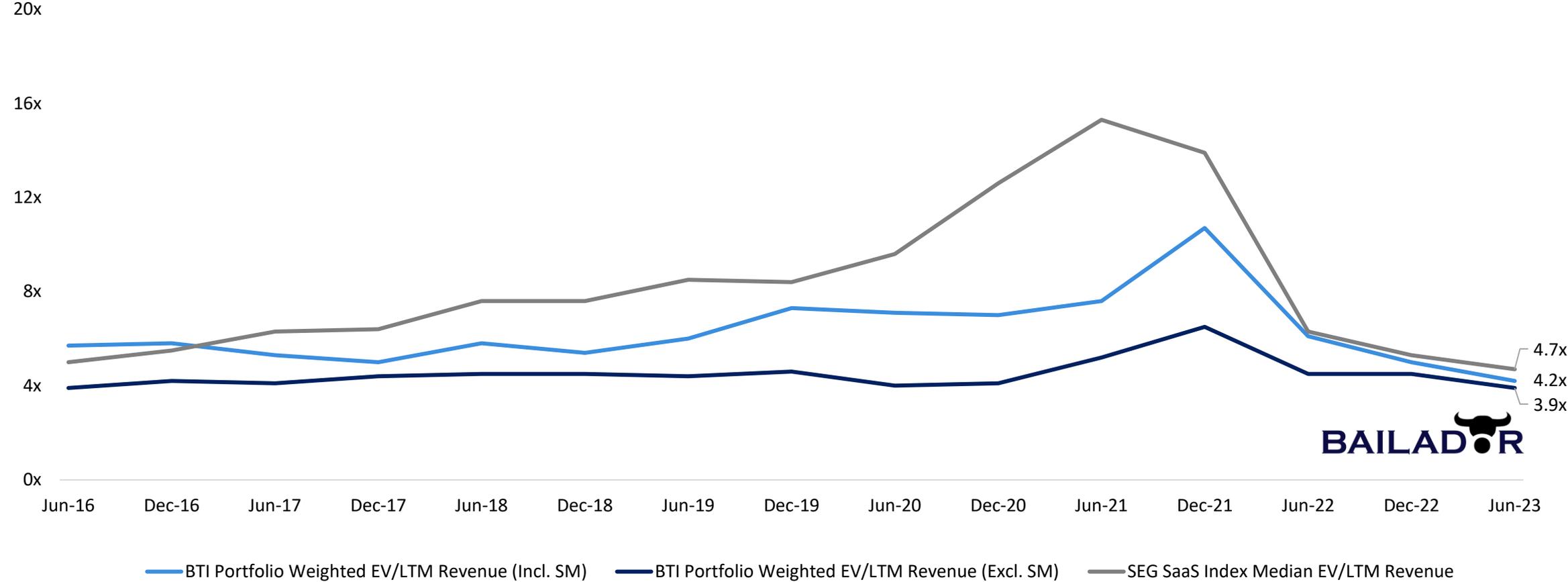
- Paid half yearly
- Fully franked

**Sustainable long term**

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

# Bailador's portfolio valuation has remained conservative against the market over time

BTI Portfolio Weighted Revenue Multiple vs. Software Equity Group (SEG) US SaaS Index



Source: Koyfin, Bessemer Venture Partners, BTI Analysis. Note: SM refers to SiteMinder.

# Strong performance and prospects across the Bailador portfolio

Investment	Portfolio weighting <sup>1</sup>	Sector	Sector growth	Sector thematics	Operational milestones
 		Travel / Accom.		<ul style="list-style-type: none"> <li>✓ Large addressable market ~1m hotels worldwide</li> <li>✓ International travel reopened and continues to gather momentum</li> <li>✓ With travel normalizing hotels are seeking revenue boosting tech solutions</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Delivered strong FY23 performance with ARR up 33.5% YoY to \$173.1m</b></li> <li>• Transaction revenues grew 61.2% YoY as the number of transaction products adopted by customers increased 53% YoY</li> <li>• Number of properties increased 12.7% to 39.1k</li> <li>• <b>Guided to EBITDA and free cashflow positive by H2 FY24</b></li> <li>• <b>Remains well capitalised with \$83.6m of liquidity</b></li> </ul>
 		Travel / Experiences		<ul style="list-style-type: none"> <li>✓ International travel reopened and continues to gather momentum</li> <li>✓ Regional travel strong in some countries</li> <li>✓ With travel normalising operators are seeking greater distribution capabilities</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Delivered landmark transaction merging Rezdy with Checkfront and Regiondo, sponsored by US PE Firm</b></li> <li>• <b>Bailador rolled 100% of its existing investment, delivering a 46% valuation uplift and effective IRR of 21%</b></li> <li>• Bailador invested additional \$2.5m in the Buyers acquisition vehicle</li> </ul>
 		Digital Healthcare		<ul style="list-style-type: none"> <li>✓ COVID-19 has moved telehealth into the mainstream for both consumers and clinicians</li> <li>✓ Attractive structural tailwinds</li> <li>✓ Low competition</li> </ul>	<ul style="list-style-type: none"> <li>• The business is growing rapidly with doctors and specialists delivering 13,000+ consultations monthly</li> <li>• <b>Bailador invested an additional \$3.1m as part of a \$7m capital raise which resulted in a 32% valuation uplift on Bailador's valuation held prior to the transaction</b></li> <li>• <b>Due for revaluation in December 2023</b></li> </ul>

Note: <sup>1</sup>Portfolio weighting at 30 September 2023.

## Strong performance and prospects across the Bailador portfolio (cont.)

Investment	Portfolio weighting <sup>1</sup>	Sector	Sector growth	Sector thematics	Operational milestones
		Volunteer Management		<ul style="list-style-type: none"> <li>✓ Large market with over 2m charitable organisations and 95m volunteers</li> <li>✓ Growing need for Not-For-Profits (NFPs) to recruit, train and retain volunteers</li> <li>✓ Strong market tailwinds as the NFP sector embraces digitisation</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Bailador invested \$9.8m in Rosterfy, a high-growth volunteer management platform</b></li> <li>• Global business whose customers use their platform to manage over 1.5m volunteers in over 20 countries around the world</li> <li>• <b>Growing rapidly having increased recurring revenue more than 100% year-on-year in 2022</b></li> </ul>
		E-commerce		<ul style="list-style-type: none"> <li>✓ Large and growing e-commerce sector</li> <li>✓ Increasing demand for personalised, authentic shopping experiences that can be delivered at scale</li> <li>✓ Growing importance of the on-site search experience in online shopping</li> </ul>	<ul style="list-style-type: none"> <li>• Stackla merged with Nosto in Jun-21 in a predominately scrip transaction</li> <li>• Nosto has since acquired two other companies: SearchNode and Findologic, to further enhance its offering to customers</li> <li>• In Feb-23, Nosto raised US\$16m from Mandatum Asset Management Growth Equity</li> </ul>
		Digital Healthcare		<ul style="list-style-type: none"> <li>✓ Emerging market with huge potential</li> <li>✓ Attractive structural tailwinds</li> <li>✓ Consumers embracing convenience of digital health solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Has developed a strong brand in the fast-growing men's digital healthcare market</li> <li>• Growing well and offering treatment plans in hair loss, sexual health, weight loss and mental health</li> <li>• Optimised operating model and moving towards profitability</li> </ul>
		Language Translation		<ul style="list-style-type: none"> <li>✓ Increasing demand from Enterprises for platform capable of facilitating full suite of translation needs</li> <li>✓ Wider Ai adoption driving demand for machine translation</li> <li>✓ Increased globalization of products and media content driving content creation</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Renewed IBM contract for 3 years and launched Slack and Microsoft Teams integration</b></li> <li>• <b>Delivered positive cash flow and EBITDA in Q4 FY23 and Q1 FY24</b></li> <li>• Delivered \$5m of annual run-rate cost savings</li> <li>• <b>Balance sheet remains strong with \$12.4m cash and no debt</b></li> </ul>

Note: <sup>1</sup>Portfolio weighting at 30 September 2023.

# Bailador is well positioned to make new investments

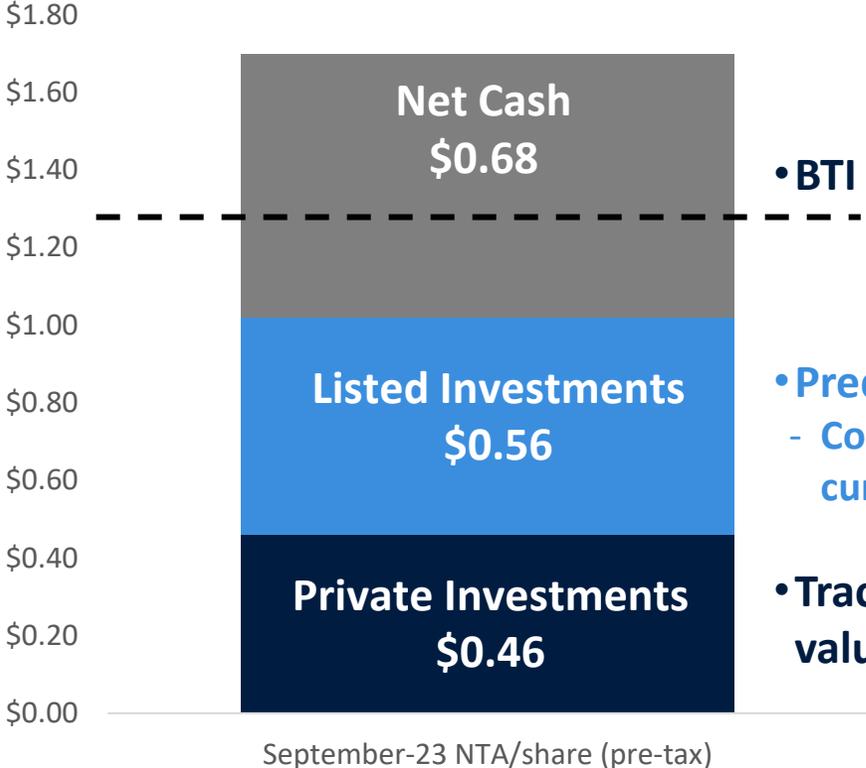
- Despite a rebound in the first half of CY23, average technology multiples remain 69% below their peak in February 2021 and are 46% below their 5-year average
- Bailador invested \$33m cash in new and follow on investments in FY23
- Likely to be additional new investments during the year, and possibly further follow on investments in existing portfolio companies
- Aim to maintain portfolio size at eight to 12 investments
- Bailador Net Cash at \$99m (30-Sep-23)

Average technology multiples are 46% below their 5-year average<sup>1</sup>



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

NTA/share at 30-September-23  
 \$1.70 (pre-tax) / \$1.59 (post-tax)



• **BTI share price = \$1.26**  
 (30-September-23)

• **Predominantly SiteMinder**  
 - Consensus share price target 10% above current price

• **Track record of outperforming carrying value for private investments**

- Investors currently get exposure to \$99m of cash at an implied cost of \$35m
- Widespread analyst BUY recommendation
- Upside likely

**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 2 November 2023.

## FURTHER INFORMATION

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Bailador Technology Investments Limited (ASX:BTI)

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## **Chairman's Presentation Speech**

### **SLIDE 4 – Bailador provides investors with exposure to...**

I will now say a few words about performance in 2023

First a reminder of what we do. Bailador invests in a portfolio of established information technology companies that are growing strongly and scaling into international markets. We call this expansion-stage investing and we deliberately focus on this stage as we believe it provides investors with the best balance between risk and reward. Our involvement with our portfolio companies goes far beyond just providing capital to fund growth – we run a concentrated portfolio strategy in order to assist companies drive the many operational aspects of the business that are critical to delivering on growth opportunities.

### **SLIDE 5 – Bailador has outperformed the technology sector over the last three-year period**

This Bailador's shareholder return for the financial year to 30 June 2023 was 2.6%, and whilst a modest return was 27.4% above the S&P All Tech index for the year. Public technology stocks had a difficult year in FY23. We think it is important however to look at our performance over a longer cycle and this slide shows our shareholder return and portfolio return as measured against the S&P All Tech Index. You will note over the three-year horizon, BTI shareholder return has been 13.5%pa outperforming the All tech index by 12.3%pa.

### **SLIDE 6 – Financial year summary**

Bailador's NTA post-tax declined 7 cents per share in FY23, and increased 4 cents per share after adding back dividends. The key drivers of our financial performance for the year were

1. Firstly, positive returns from our private portfolio companies. Our private portfolio companies increased in value by \$26.2m throughout the year led by the strong performance from InstantScripts. As you know, investing in private technology companies is at the core of what we do, and we were pleased with the performance from this part of the portfolio.
2. Secondly, our publicly listed investments, SiteMinder and Straker, declined by \$13.1m throughout the year and this had a substantial impact on our overall performance for the year. I'm pleased to report the SiteMinder share price has recovered somewhat in the first quarter of FY24 up 59% to the end of September. We remain firm supporters of SiteMinder and Straker.
3. And thirdly, we returned 10.9 cents per share in fully franked dividends to investors throughout the year. This obviously reduced our NTA per share, but provided the certainty and regularity of return we were aiming for when we instituted the policy just over a year ago.

We continued to hold a strong level of cash. As private company valuations have returned to more sustainable levels, we expect to deploy that cash over the next twelve months and this has commenced with our investment in Rosterfy in April this year. Shareholders will no doubt be aware that a high cash holding is a drag on returns. We believe the short-term impact of that drag will be repaid in time by good value investing.

## SLIDE 7 – The Bailador portfolio ended FY23 in a strong position

I'm pleased to report we've had a good start to FY24 with the full cash realisation of InstantScripts at an IRR of 62%.

At 30 June we held 8 investments when combined exhibit premium characteristics which sees them very well positioned for future growth.

As I mentioned on the previous slide, we are actively seeking out opportunities that fit our investment criteria.

## SLIDE 8 – NTA per share down \$0.07 to \$1.52: up \$0.04 for the year after adding back dividends paid

This slide provides further detail on the portfolio activity in FY23. As you can see, we experienced a very good return on InstantScripts and this was supported by Rezdy and Access Telehealth. All of these uplifts were via third party transactions, that is, transactions where investors other than Bailador invested at that price. And of course the InstantScripts valuation was based off the full cash realisation value which was completed in July of this year. At 30 June, all of our private investments were held at a price marked by a third party supported price in the last twelve months.

Our two public investments declined over the year, and we wrote off our investment in Brosa in October 2022. We had lost confidence in Brosa's trading performance and opted to fully write it down in line with our conservative valuation philosophy. Brosa was later placed into administration in mid-December 2022 confirming our decision as a good one.

## SLIDE 9 – Bailador's private investments have performed strongly

The performance of our private and public investments is shown here. As mentioned earlier, the SiteMinder share price has recovered somewhat since 30 June and we have shown that on the right-hand side.

We remain firm supporters of SiteMinder and Straker, and as we have noted a number of times in recent years, our decision to hold a public investment we previously held privately, makes our NTA and short term returns more susceptible to short term market volatility. By way of example, at the 30 June 2023 share price, SiteMinder was down 17% on the price of 30 June 2022, by 30 September 2023, the SiteMinder share price was 32% above that 30 June 2022 share price and receiving strong analyst support.

## SLIDE 10 – All company valuation increases priced by third party transactions

This slide sets out the valuation movements of private portfolio companies in 2023. Bailador's private company portfolio increased by \$59m throughout FY23. We completed follow-on investments in the portfolio of \$23m and invested \$10m in new portfolio company Rosterfy. Our private investments grew in value by \$26m. And reiterating, all of the gains in the private company portfolio were priced by third party transactions.

## SLIDE 11 – Summary Profit and Loss

I will just take a minute now to run through the Profit & Loss Statement for 2023.

Shareholders will recall the very successful year in FY22 including the full cash realisations of Instaclustr and Standard Media Index and the public listing of our largest portfolio investment, SiteMinder.

The results of FY23 were somewhat subdued in comparison, but as I have discussed, the fundamentals underpinning the portfolio remain strong. Bailador's returns have been and will continue to be lumpy and driven by valuation movements in the portfolio. We are pleased the dividend policy introduced last year has complemented NTA gains with a regular return for shareholders.

Net gains on assets, being the increase in private companies less the decline in the public positions, was \$13.1m. Our base operating expenses were in line with prior years.

As I mentioned before, despite gains in the portfolio, fully franked dividend payments of 10.9 cents per share lowered net tangible assets YoY and this reduced the management fee slightly.

We did not meet the performance fee hurdle for FY23, but provided \$1.8m based on gains in the portfolio. This provision was not payable at the end of the year, but full provision ensures the returns we report to you are after all possible fees.

## SLIDE 12 – Bailador's commitment to ESG principles

We continue to develop our ESG policies and framework. A reminder that due to most activity sitting with the Manager, in our reporting we report a combined position between Bailador Technology Investments Limited, and the Manager.

As a listed investment company, Bailador will always strive to run to a gold standard on governance practices. At the heart of our governance sits a strong independent board, a clear relationship with the Manager, a rigorous investment process and robust valuation process. Bailador contributes to the Australian and New Zealand technology eco-system not only through our financial investment, but through sharing our governance knowledge and standards with our portfolio companies.

The Manager is pleased to report to BTI shareholders they have fully offset their carbon emissions. We continue to benchmark to key environmental, sustainability and governance standards and have provided details in our annual report.