

APPENDIX 4E

– FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2023

Company Information

Bailador Technology Investments Limited (ASX:BTI)

ABN : 38 601 048 275

Reporting Period : 30 June 2023

Comparatives : 30 June 2022

Results for Announcement to the Market

| Key Information | Increase/Decrease | Change % | To \$'000 |
|---|-------------------|----------|-----------|
| Gains on financial assets | Decrease | (81%) | 13,114 |
| Profit after tax from ordinary activities attributable to members | Decrease | (84%) | 5,415 |
| Net profit attributable to members | Decrease | (84%) | 5,415 |

Dividends Paid and Proposed

A fully franked full year dividend of 3.2c per share has been declared by the Board on Wednesday 16 August 2023 to be paid on 7 September 2023 to shareholders on record as 22 August 2023.

The Company's DRP plan will apply to the final dividend announced on 16 August 2023.

Further details on the dividend are available in the Directors' Report in the Annual Report.

Statement of Profit or Loss and Other Comprehensive Income with Notes to the Statement

Refer to pages 42 to 61 of the 30 June 2023 annual report and accompanying notes for Bailador Technology Investments Limited.

Statement of Financial Position with Notes to the Statement

Refer to pages 43 to 61 of the 30 June 2023 annual report and accompanying notes for Bailador Technology Investments Limited.

Statement of Movements in Equity with Notes to the Statement

Refer to pages 44 to 61 of the 30 June 2023 annual report and accompanying notes for Bailador Technology Investments Limited.

Statement of Cash Flows with Notes to the Statement

Refer to pages 45 to 61 of the 30 June 2023 annual report and accompanying notes for Bailador Technology Investments Limited.

APPENDIX 4E
– FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2023 - CONTINUED

Statement of Retained Earnings Showing Movements

| | 2023 |
|---|--------------|
| | \$000 |
| Balance as at 1 July 2022 | 81,087 |
| Net profit attributable to members of the parent entity | 5,415 |
| Dividends paid to members | (15,468) |
| Balance as at 30 June 2023 | 71,034 |

Net Tangible Assets per Share

| | As at | As at |
|--|---------------------|---------------------|
| | 30 June 2023 | 30 June 2022 |
| | \$/Share | \$/Share |
| Net tangible assets per share (pre tax) | 1.587 | 1.858 |
| Net tangible assets per share (post tax) | 1.519 | 1.594 |

Control Gained or Lost over Entities in the Period

None

Investment in Associates and Joint Ventures

The Company does not have any investments in associates and joint ventures.

Commentary on the Results for the Period

Refer to the commentary on the results for the period contained in the “Review of Operations” included within the operating and financial review section of the annual report.

Status of Audit

The 30 June 2023 financial report and accompanying notes for Bailador Technology Investments Limited have been audited and are not subject to any disputes or qualifications. Refer to pages 63 to 67 of the 30 June 2023 annual report for a copy of the auditor’s report.

2023
Annual Report

BAILADOR TECHNOLOGY
INVESTMENTS LIMITED
(ASX:BTI)

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Bailador has an established track record of successfully making and realising investments in the fast growth information technology sector.

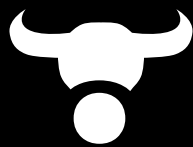


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Bailador provides
investors with
exposure
to quality
expansion-
stage technology
companies
at attractive
valuations.

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Corporate Summary

1

Company

Bailador Technology Investments Limited (ACN 601 048 275) is a listed investment company and its shares are quoted on the Australian Securities Exchange (ASX:BTI).

2

Objective

Bailador invests in information technology focused businesses in Australia and New Zealand that require growth capital. In particular, Bailador focuses on software, internet, mobile, data, and online market-places with proven revenue generation and management capability, demonstrated business models and expansion opportunities.

3

Risk

The Company invests in expansion stage information technology businesses. The value of the shares and the income derives may fall or rise depending on a range of factors. Refer to Note 18 of the Financial Report for further information.

4

Capital Structure

The Company's capital structure comprises 144,869,190 ordinary shares which trade on the Australian Securities Exchange (ASX:BTI).

| Financial KPIs | 30-Jun-23 | 30-Jun-22 |
|--|-----------|-----------|
| Share price \$ | 1.165 | 1.445 |
| Earnings per share (cents) | 3.77 | 24.11 |
| Total assets (\$000) | 237,030 | 277,633 |
| NAV \$ per share (pre-tax) | 1.587 | 1.858 |
| NAV \$ per share (post-tax) | 1.519 | 1.594 |
| Dividends paid per ordinary share (cents) ¹ | 10.9 | 1.4 |

Investment Manager

The Company has outsourced its investment management function to Bailador Investment Management Pty Ltd (ACN 143 060 511) (AFSL 400811). The Manager is a Sydney-based privately owned investment manager which commenced trading in 2010.

Management Agreement

The Company has an agreement with Bailador Investment Management Pty Ltd for the provision of management services, the details of which are contained in Note 5 of the Financial Report.

¹ Includes special dividend

Board of Directors



David Kirk

Chairman and Executive Director

- David (appointed 2014) has been Chief Executive of two ASX-listed companies, including diversified media company Fairfax Media Limited, where he led a number of successful internet sector investments. David is currently Chairman of ASX-listed company KMD Brands (ASX:KMD), which is the holding company for outdoor brands Kathmandu, Rip Curl and Oboz, and is Chairman of Forsyth Barr Limited, a privately owned investment firm. He is also Chairman of not-for-profit organisations the Sydney Festival, KiwiHarvest, New Zealand Food Network and the New Zealand Rugby Players Association.
- David is Director of Bailador investee companies Rezdy and Rosterfy, and board observer at Mosh.
- David is a Rhodes Scholar with degrees in Medicine from Otago University and Philosophy, Politics and Economics from Oxford University. David enjoyed a highly successful rugby career, captaining the All Blacks to win the World Cup in 1987. He was awarded an MBE in 1988.
- David holds 10,274,340 ordinary shares in BTI and an indirect interest in a further 908,769 ordinary shares.
- David is a Director and shareholder of Bailador Investment Management Pty Ltd which holds a contract with Bailador Technology Investments Limited to act as Manager. Further details pertaining to this agreement can be found in Note 5 of the Financial Report.



Paul Wilson

Executive Director

- Paul (appointed 2014) has had extensive private equity investment experience as a previous Executive Director of CHAMP Private Equity in Sydney and New York, and with MetLife in London. Paul was also previously Executive Director at Illyria Pty Ltd, a media-focused investment group. He is currently Director of Rajasthan Royals (IPL cricket), and VRTUS fitness studio.
- Paul is a Director of Bailador investee company SiteMinder (ASX:SDR).
- Paul holds a Bachelor of Business from QUT, is a Fellow of the Financial Services Institute of Australasia, a Member of the Institute of Chartered Accountants Australia and New Zealand, and a Member of the Australian Institute of Company Directors.
- Paul holds 4,939,661 ordinary shares in BTI and has an indirect interest in a further 459,138 ordinary shares.
- Paul is a Director and shareholder of Bailador Investment Management Pty Ltd which holds a contract with Bailador Technology Investments Limited to act as Manager. Further details pertaining to this agreement can be found in Note 5 of the Financial Report.

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Andrew Bullock

Independent Non-Executive Director

- Andrew (appointed 2014) is a Managing Director at Adamantem Capital, a private equity firm based in Sydney. Prior to joining Adamantem, Andrew was for many years the head of the corporate advisory and private equity practice of Gilbert + Tobin, one of Australia's leading law firms.
- Andrew has a Bachelor of Arts from Sydney University and a Bachelor of Laws from the University of New South Wales.
- Andrew is the Chair of Bailador's Audit and Risk Committee.
- Andrew holds interest in 438,708 ordinary shares in BTI.



Jolanta Masojada

Independent Non-Executive Director

- Jolanta (appointed 2018) is Principal of MasMarket Advisers, providing strategic investor relations and communications advice to listed companies. She has more than 25 years' experience in financial markets and equity research in the media and technology sectors in Australia and the US. Jolanta was formerly Director Equity Research at Credit Suisse and Deutsche Bank, with previous roles at Macquarie Bank and Pierson Sal. Oppenheim in New York.
- Jolanta is a graduate of the University of KwaZulu-Natal and Cambridge University. She is a fellow of the Financial Services Institute of Australasia, a graduate of the Australian Institute of Company Directors, a Certified Investor Relations Officer (CIRO) of the Australasian Investor Relations Association (AIRA) and a Non-executive Director of Cadence Opportunities Fund (ASX:CDO).
- Jolanta is the Chair of Bailador's Nomination and Remuneration Committee.
- Jolanta holds interest in 198,172 ordinary shares in BTI.



Brodie Arnhold

Independent Non-Executive Director

- Brodie (appointed 2019) is an experienced ASX listed board member with over 15 years domestic and international experience in private equity, investment banking and corporate finance.
- Brodie was the CEO of Melbourne Racing Club. He has also worked for Investec Bank from 2010 to 2013 where he was responsible for building a high-net-worth private client business and for Westpac Banking Corporation where he was Investment Director at Westpac's private equity fund. Brodie has also worked at leading accounting and investment firms including Deloitte (Australia), Nomura (UK) and Goldman Sachs (Hong Kong).
- Brodie is also the Chairman and Non-executive Director of Shaver Shop Group Ltd (ASX:SSG) and is Chairman of private companies, iSelect, Endota Spa Pty Ltd, Industry Beans Pty Ltd, Hungry Hungry Pty Ltd, and Prism Pay Pty Ltd. Brodie is a board member of Curatif Pty Ltd.
- Brodie holds a Bachelor of Commerce and MBA from the University of Melbourne and is a member of the Institutes of Chartered Accountants in Australia and New Zealand.
- Brodie holds interest in 118,795 ordinary shares in BTI.

Letter from the Founders

Bailador Technology Investments' (ASX:BTI) net profit before tax in the financial year to 30 June 2023 (FY23) was \$5.4m. The value of the fund's continuing investments increased by \$13.1m in the year. Private company investments increased in the year by \$26.2m and public company investments (SiteMinder and Straker Translations) declined in the year by \$13.1m. Net Tangible Assets per share (before tax) of the fund after all fees declined by \$0.27. With a net increase in the value of investments over the period, the decline in pre-tax NTA per share was due to the large payment of tax (following a year of strong cash realisations in FY22) and the payment of dividends.

After selling a number of investments in FY22 during a period of high valuation multiples, the fund entered FY23 with over \$140m of cash. \$32.9m of cash was deployed into investments in FY23, and after payments for tax, dividends and operating expenses, the fund closed out FY23 with \$57.8m of cash at hand. Just after year end the proceeds of the sale of InstantScripts were received and the cash balance was rebuilt to \$109m. While high cash reserves are a constraint on value accretion in the short term, we feel very confident that deploying cash selectively through FY23 and being cashed-up again at the start of FY24 positions us well for consistent long term high returns.

Cash investments and realisations

InstantScripts

InstantScripts is a digital health platform enabling convenient access to high quality doctor care and routine prescription medication.

BTI initially increased its investment, then realised for cash at an increased valuation its full investment in InstantScripts during the year. We made our first investment in InstantScripts in July 2021. In FY23 we made two follow-on investments of a total \$15m and late in the year (the transaction completed and cash was received in the first month of FY24) InstantScripts was sold to API, a wholly owned subsidiary of Wesfarmers.

Our holding period for InstantScripts was shorter than we generally target but for a variety of reasons including founder wishes and a committed strategic buyer we sold along with all shareholders after a two-and-a-half-year holding period. Our returns – a 25% uplift on holding value at the time, \$52m in cash and a 62% IRR – were strong.

Rezdy

Rezdy is a leading global booking and connectivity software provider for the tours and activities industry. This is a huge, fragmented industry

covering both very large providers such as Big Red Bus tours in London and very small providers such as a walking tour of The Rocks in Sydney. The industry is complicated by ticketing, multiple activities on one ticket, multiple booking channels (online, in-person, telephone, tourist bureaux, hotel concierge and more) and the fact that most bookings are made late and in-destination. Rezdy has come a long way in this complex industry but to compete effectively requires scale and, recognising this, in FY23 we sold Rezdy for shares into a larger vehicle sponsored by a US private equity firm. We have retained all of our investment and added \$5m to our position as part of the transaction. The transaction resulted in a 46% uplift in our carrying value at an IRR of 21% so far.

Access Telehealth

Access Telehealth provides in-person and telehealth services for Australians with challenges accessing high quality healthcare. For instance, the company provides access to specialist consultants for rural and regional Australians and access to psychologists for neuro-diverse children through the NDIS and access to GP and specialist healthcare for residents of aged-care facilities.

The key to Access Telehealth's success is the ability to combine investment in people (nurses and doctors) and a software platform that creates an efficiently functioning marketplace for patients (demand) and doctors (supply), combining in-person consultations and telehealth provision on one platform. Work rostering, consultations, follow-up, prescriptions, and record keeping are all integrated into a single workflow management platform.

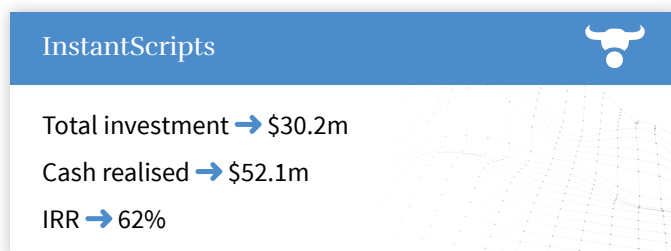
Bailador invested \$12.5m in Access Telehealth in December 2021. In January 2023 we happily invested a further \$3.1m leading a capital round. The funds raised in January are being used to further growth plans and achieve profitability.

New portfolio company - Rosterfy

In April 2023 we invested \$9.8m in Rosterfy. Rosterfy is a software-as-a-service provider of volunteer management solutions for not-for-profit companies and major events. Rosterfy has an A-grade list of major events clients including the Superbowl, UEFAFA and FIFA, and has more recently added a focus on not-for-profits.

When we invested, the company was profitable and growing very fast having raised a small amount of money. Rosterfy had to this point been "bootstrapped", meaning it had taken on a small amount of outside investment but had otherwise grown through keeping costs low and re-investing cash received from customers. We have great admiration for successfully bootstrapped companies and think they are likely to be great prospects for investment. Management that goes a long way on a small amount of money is our favourite type and a product that engages world-scale clients at a relatively early stage of product development is clearly fit-for-purpose and solving a real unmet need.

Since Bailador's investment the team at Rosterfy have been busy. They have made key new hires in the US, UK and Australia, established a new office in Dallas, confirmed a major distribution partnership in the US and continued to win new customers. We are delighted with their progress.



Current Investing Conditions

Profitability matters

The period of cheap, even free, money has passed and so too has the period of super high valuation multiples for companies growing very fast and losing a lot of money. Now and until the next bubble occurs superior valuation multiples will be achieved by information technology companies that are growing fast, have strong operating margins, demonstrate operating leverage (that is, become more profitable as they grow), fulfil a clear unmet need for customers, and have an enduring competitive moat.

In particular sustainable profitability now matters again, and sustainable profitability is only possible if companies are providing a product or service that solves a real problem for customers, have clear competitive advantage and good growth economics.

Of course all of this requires a great relationship between us and the founders of our portfolio businesses. Founders who understand the importance of capital efficiency and the need for a path to profitability are crucial in successful expansion stage businesses.

This is what we have always looked for in our investee companies and we will continue to do so.

Entry valuation matters

Even if a potential investee company has all of the attributes set out above, this is not enough to ensure a good investment return. In addition to the company characteristics listed above we need to ensure we always invest at a valuation multiple (as a proxy for actual valuation) that is appropriate.

The last two years have been challenging for our team. We have had plenty of cash to invest and have seen some very interesting companies, but often we have had to say no to a new investment because of the asking valuation. We stick by the adage we have mentioned before: “Agree in haste, repent at leisure.” We are both old enough to have experienced the pains of both hasty agreement and leisurely repentance.

Reminding ourselves of the numbers always helps. As an example, if we set ourselves the task of delivering a minimum 25% IRR on a new investment (which we do) and we were to invest in a company at a 15x pre-money revenue multiple (which was actually at the low end of the range for many of the companies we saw during the bubble) and assume a very respectable 6x exit multiple, over a five-year period we will need the company to grow revenue at compound 68% per annum and raise no more capital to achieve our return target. It is unlikely that the company would not need to raise more capital growing at such a high rate, which increases the required compound revenue growth rate further.

Or look at it another way. If the company grows revenue at compound 30% per annum, which is much more likely than 68%, particularly as the company gets bigger, and again no more capital is invested (very unlikely) and we again exit is at a 6x revenue multiple after five years, the IRR will be 5.8%. And all of this assumes the company can become



“I must single out Paul Wilson from Bailador who showed unshakeable conviction in the business model from day one and was prepared to double down on his investment a number of times. I reached out to him often for advice which he offered readily. It was always insightful and full of clarity.”

Dr Asher Freilich on the sale of InstantScripts to API Industries Limited (Wesfarmers)

earnings and cashflow positive in the five years, because a 6x exit multiple is a pipedream if it can't.

Investor value add matters

The Bailador team members collectively have the following experience: senior corporate leadership, senior private equity leadership, senior corporate finance leadership, management consulting, start-up management, operational management, investment banking, corporate business development, and investment analysis. This experience and the resulting skills are top tier in the venture and growth capital investing world in Australia and New Zealand. They happen to also be great people to work with. This is why, in addition to making rigorously tested investment decisions, we can lead capital raisings, sales processes and IPOs for portfolio companies, and provide advice and support for important business building tasks such as hiring new senior executives, reorganising, opening international offices, establishing high-level relationships, refining go-to-market functions, prioritising product development and adjusting cost bases. We run a concentrated portfolio of 8-12 investee companies largely so we can be available to investee companies for just these purposes.

Investment and Valuation Cycles

An investment cycle is the time from first investment, through growth and development to final realisation of the investment through a sale to another party. An IPO or a transfer of our shares into a new vehicle, as happened with Rezdy in FY23, does not bring the investment cycle to an end. We expect our investment cycles to last somewhere around 6-10 years. Our permanent capital model ensures this is possible for us in a way that it is not for private venture and growth capital funds who are bound to deploy in the first five years and realise in the following five years.

Letter from the Founders (continued)

The valuation cycle is the rise and fall of valuation multiples over a period of rising enthusiasm for high growth technology investment and the inevitable subsequent disaffection and decline in valuation.

Between February 2021 and July 2023, we realised portfolio companies Viostream, Standard Media Index, Lendi, DocsCorp, Instaclustr and InstantScripts. In addition we realised a small amount of SiteMinder at their IPO. As we have pointed out in the past, the sharp rise in multiples in 2021 and 2022 was the ideal time to sell investments.

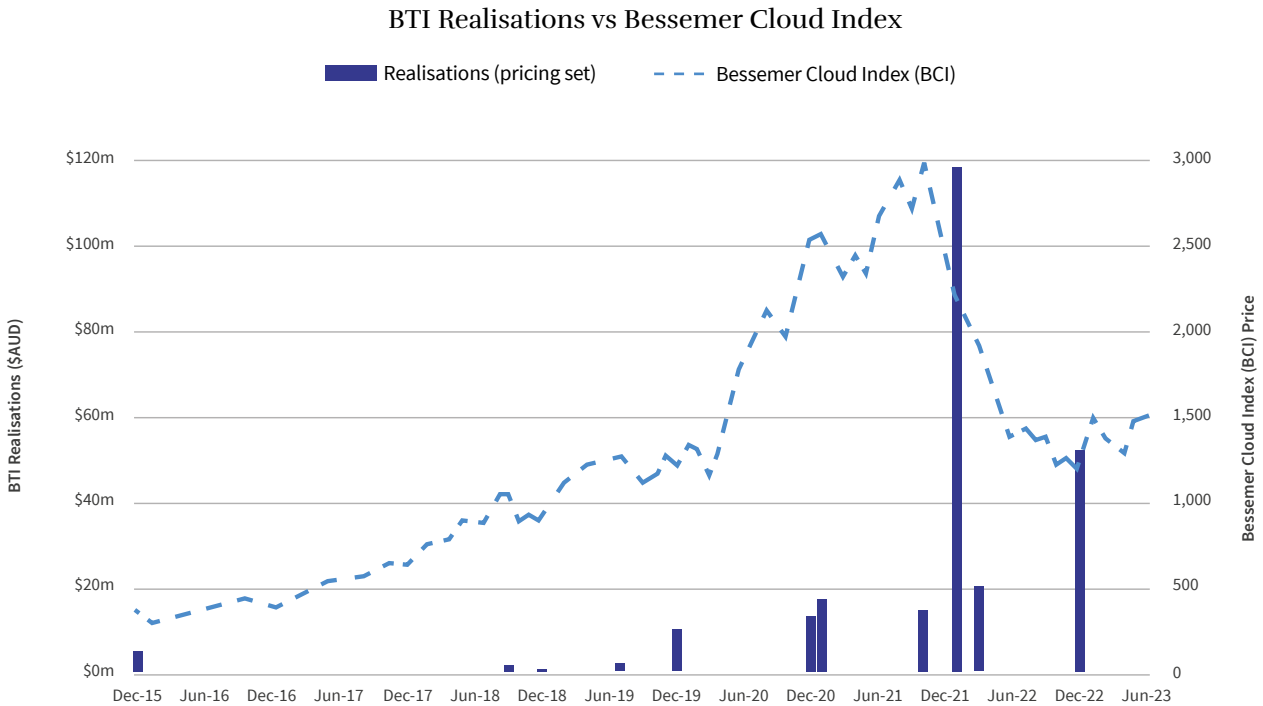
The graph below shows the our realisations from 30 June 2015, soon after Bailador Technology Investments listed on the ASX, including the small sell-downs of Straker Translations and SiteMinder. Overlaid on the same graph is a line graph showing the revenue valuation multiples of the Bessemer Cloud Index over the same period.

Where to from here?

The realisation of over \$250m marks the end of the first cycle for Bailador Technology Investments. As is usual the second cycle began

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Our permanent capital model allows us to align our investment cycle with the valuation cycle and that is what we have done.



The chart above tells you two things about how we have invested your money.

1. When we saw valuations lifting in late 2019 we made a concerted effort to move into a realisation phase for the fund. We have fully realised six investments in the three years since including Instaclustr for \$118m at the peak of the cycle.
2. We have ensured that we are holding a significant amount of cash as prices return to more sustainable levels.

Letter from the Founders (continued)

before the first cycle ended. InstantScripts (already realised), Access Telehealth, Mosh and Rosterfy have us off to a flying start with the second cycle.

The second cycle starts with three very important differences to the first.

- First, we have a very valuable base of continuing investments in SiteMinder, Straker, Nosto and Rezdy. In all of these companies we see considerable upside. SiteMinder in particular is a world-class scaled software-as-a-service company performing very well with an excellent management team. We expect significant growth in NTA from a re-rating of SiteMinder in due course. We don't know when this will occur, but we have high conviction that it will occur.

Second, we have an established capital management policy which delivers a 4% of pre-tax NTA return to shareholders annually. At the 30 June 2023 share price, this 4% of pre-tax NTA was equivalent to a 5.5% dividend yield and 7.3% dividend yield grossed up for franking credits.

- Third, we have over \$100m in cash to invest in growth stage information technology companies.

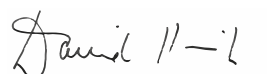
Shareholder Return over the last three years is 22.9% pa after all fees and costs, generated in what many consider to have been a difficult environment. We expect to continue to generate strong returns, particularly considering the above three factors, and a more experienced team.

Team

The Bailador team goes from strength to strength. We continue to work together as a cohesive and collaborative team collectively taking responsibility for the ups and occasional downs in the fund. Each portfolio company has at least two Bailador team members across the detail and engaged with the company's workplan. We share quick updates on each portfolio company at a weekly meeting, and dig in where necessary, which allows us to draw on the experience of the full team for the benefit of all portfolio companies. We are very pleased with the development of the team's capabilities.

Annual Meeting

Our Annual Meeting will be held on 2 November this year. We look forward to welcoming as many shareholders as can make it in person and to continuing the lively and informed discussion we have come to expect at the Meetings.



David Kirk
Chairman and Executive Director
Dated this 16th day of August 2023



Paul Wilson
Executive Director

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Where we stand today



- ✓ Outstanding existing portfolio
- ✓ Capital management policy delivering fully franked dividends
- ✓ >\$100m ready to invest

Operating and Financial Review

Principal Activities

Bailador Technology Investments Limited (BTI)(Bailador) invests in information technology businesses in Australia and New Zealand that are seeking growth capital. The target businesses typically have an enterprise valuation between \$10 million and \$200 million. In particular, the Company focuses on software, internet, mobile, data and online market-place businesses with proven revenue generation and management capability, demonstrated successful business models and expansion opportunities.

There have been no significant changes in the nature of the Company's principal activities during the financial year.

Our Business Model and Objectives

Providing satisfactory returns to shareholders is our primary objective. Our success in achieving this objective is determined by total shareholder return (TSR) over time. The TSR we deliver will, over time, be directly related to the return on invested capital we achieve. In 2022 we instituted a capital management plan that will deliver regular fully franked dividends to shareholders. Bailador's regular fully franked dividends provide investors with an element of de-risking and bringing forward of their return. However, the primary value driver of the business remains to identify, buy and hold investments in a number of private internet-related businesses with strong growth prospects. Bailador aims to sell those investments at attractive valuations and, following realisations, continue to make new investments and maintain a portfolio of high growth investments.

Thorough due diligence is carried out before investments are made and BTI representation on most portfolio company boards ensures BTI's close involvement with operational decisions. Contractual downside risk protections are negotiated where appropriate to do so.

BTI continues to assess a strong pipeline of potential investments and will continue to make investments as attractive opportunities arise.

The Company has been classified under AASB 2013-5 as an Investment Entity whose business purpose is to invest funds solely for returns via capital appreciation and/or investment returns. As the Company has been classified as an Investment Entity, the portfolio investments have been accounted for at fair value through the profit or loss and shown as Marketable Securities and Financial Assets in the Statement of Financial Position.

Operating Results

The profit of the Company for the financial year ended 30 June 2023 was \$5,415,000 (2022 \$33,969,000), after providing for income tax.

Combined revenue growth of the underlying portfolio companies (portfolio weighted) for the financial year ended 30 June 2023 was 67%. Further information on individual investee company growth can be found in the portfolio operating reports.

The performance of the Bailador portfolio, measured as the change in the Net Tangible Assets (NTA) per share between 1 July 2022 and 30 June 2023 (post-tax, after all fees), was an increase of 2.6% for the year. This return was made up of a gain in the post-tax portfolio (investment gains less expenses) of 4.2 cents per share, after crediting the payment of 10.9 cents per share fully-franked dividends. Bailador paid \$30.4m in income tax in February 2023, following the successful realisations of InstaClustr and SMI in 2022. The large tax payment resulted in a decline in NTA pre-tax YoY.

Review of Operations

Private portfolio investments performed very well in the year delivering an IRR of 36.3% throughout the course of FY23. All of the changes in the value of private investments throughout FY23 were a result of independent third-party transactions, including InstantScripts which has been subsequently realised for cash in July 2023. The private investments contributed an increase of 8% or 12.6 cents in NTA per share post tax.

Bailador's two publicly listed investments SiteMinder and Straker both declined in value during the year. Both are displaying strong operational performance.

Bailador held a relatively high cash balance throughout FY23, which presented somewhat of a drag on overall returns. The Company continues to maintain a disciplined approach to new investments and note private technology company valuations are returning to more sustainable levels.

Realisations

Rezdy

In May 2023 Bailador announced that Rezdy had entered into an agreement to be acquired by an entity controlled by a US private equity firm. That sale was completed in June 2023. As part of the sale transaction, Bailador had the opportunity to roll our existing investment into scrip in the new entity and elected to do so. There was a 46% uplift to Bailador's investment in Rezdy as part of the transaction.

InstantScripts

In June InstantScripts announced that it had entered an agreement to be acquired by API Industries Limited, a wholly owned subsidiary of Wesfarmers Limited. The transaction completed in July 2023 and Bailador received \$52m in proceeds for its investment in InstantScripts. As the transaction was not completed until July, InstantScripts remains on the list of private portfolio companies for FY23 reporting.

Investments

InstantScripts

Bailador made follow-on investments in InstantScripts of \$15m (July 2022 and March 2023).

Operating and Financial Review (continued)

Review of Operations (continued)

Access Telehealth

In January 2023 Bailador made a follow-on investment in Access Telehealth of \$3.1m.

Rezdy

On completion of the sale of Rezdy in June 2023, as mentioned above, Bailador elected to roll its investment into the new US based entity. Bailador also made an additional \$5m follow-on investment in new-Rezdy following completion of the sale.

Revaluations

The following investments were revalued under BTI's revaluation policy of marking the value of the investment to the price implied by the most recent independent third-party transaction.

- Throughout the year there were a number of third-party transactions involving InstantScripts, including InstantScripts entering into an agreement in June 2023 to be acquired. Throughout FY23 Bailador increased the value of its investment in InstantScripts with those third-party transactions by a total of \$20.5m.
- Access Telehealth was written up by \$3.0m (31.6%) in line with the third-party capital raise transaction the business completed in January 2023.
- Bailador increased the valuation of its investment in Rezdy in May 2023 by \$7.1m (46.3%) following the announcement of Rezdy's sale transaction.
- Brosa was written down 100% in October 2022 due to Bailador's concerns about Brosa's trading performance. In December 2022 Brosa was placed into administration.

Bailador holds two portfolio companies via marketable securities on the ASX. SiteMinder (ASX:SDR) and Straker Translations (ASX:STG) are marked to the ASX market price at 30 June 2023.

- SiteMinder's share price at 30 June 2023 was \$2.92 (June 2022 \$3.51). The decline of 16.8% throughout the year reduced the carrying value of SiteMinder by \$9.9m to \$48.8m.
- At 30 June 2023 the Straker Translations share price was \$0.67 (2022 \$1.02) resulting in a decline on investment for the financial year of \$3.2m (34.3%).

Valuation of Investments

The Board has reviewed the value of the investment portfolio and the Net Tangible Assets of BTI as at 30 June 2023. In conducting their valuation review, the Board has had regard to the BTI investment portfolio Valuation Review Report prepared by BDO Corporate Finance (Qld) Ltd.

Information regarding the valuation of the investment portfolio is set out in Note 19 of the financial statements and in the section below "Operating Reports on Portfolio Companies".

Investments are currently held at fair value via a mark to market, the valuation implied by the latest third-party investment or at a price determined by globally benchmarked revenue multiples and trading performance.

Operating and Financial Review (continued)

Review of Operations (continued)

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“We have incredibly smart and dedicated teams at our portfolio companies. They really are a great group of people to work with. This year especially, there have been many late nights and long calls to get transactions across the line, but we always get there with good humour – and still looking ahead to where we want to go next.”

Bevin Shields,
Partner & Head of Investor
Relations at Bailador

“The tech ecosystem in Australia is going from strength to strength. This is creating lots of interesting opportunities for Bailador to invest in and support great founding teams scaling their high-growth businesses globally.”

James Johnstone,
Partner at Bailador



Operating and Financial Review (continued)

Review of Operations (continued)

Operating Reports on Portfolio Companies



InstantScripts

InstantScripts

InstantScripts is a digital healthcare platform that enables consumers to conveniently access high quality doctor care and routine prescription medication in a safe, secure and clinically responsible manner.

BTI invested \$5.5m into InstantScripts in July 2021 and a further \$9.7m during FY2022. In FY2023 BTI increased its investment in InstantScripts through follow-on investments of \$5m in July 2022 and \$10m in March 2023, taking its total cash investment to \$30.1m.

InstantScripts was founded in 2018 by Doctor and Entrepreneur, Asher Freilich. Dr Freilich realised the potential for InstantScripts during his training as a GP when he saw the opportunity to optimise and streamline a lot of the inefficiencies that exist in the provision of routine primary healthcare services.

The platform's express prescription service enables consumers to access doctor-approved routine prescription medication in minutes. Consumers can also access live medical advice via telehealth consultations. The service's digital healthcare platform is underpinned by doctor-designed clinical questionnaires that streamline the patient eligibility process before a doctor-approved prescription is provided.

InstantScripts enjoys strong support from the pharmacist community, with over half of Australian pharmacies already registered with the platform. It also has e-prescription integration and is on the Australian Digital Health Agency (ADHA) conformance register.

InstantScripts spent FY2023 continuing to invest in brand and marketing activities along with developing new product offerings such as chronic condition management and rapid doctor consultations. The considered investment in brand and marketing, along with repeat customer usage, saw the business achieve 1m+ annualised patient interactions and 100%+ YoY revenue growth. This strong growth was also achieved while the business delivered profitability.

In June 2023 InstantScripts signed an agreement to be acquired by Wesfarmers Ltd for \$135m plus excess cash held on the balance sheet. This purchase price implied a \$52.1m valuation for BTI's stake. Wesfarmers Ltd completed its acquisition of InstantScripts on 3 July 2023 upon which BTI's received its cash proceeds. BTI's investment in InstantScripts delivered cash proceeds of \$52.1m and an internal rate of return (IRR) of 62%.

BTI has valued its investment in InstantScripts at \$52.1m at June 2023 which reflects Wesfarmers Ltd's third-party valuation.

| | |
|--------------------------------|--------------------------------|
| Valuation 30 June 2023: | \$52.1m |
| Valuation at 30 June 2022: | \$16.6m |
| Investment since 30 June 2022: | \$15.0m |
| Basis for valuation: | Third-party transaction |
| Securities held: | Preference and ordinary shares |

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Operating and Financial Review (continued)

Review of Operations (continued)

SiteMinder

SiteMinder

SiteMinder is the world's leading commerce platform for accommodation providers serving more than 39k properties of all sizes in over 150 countries. Its innovative online platform helps accommodation providers optimise revenue and profitability by equipping them with tools that help broaden distribution, generate insights on their performance, and eliminate costly manual processes. During FY23, SiteMinder processed more than 100m hotel bookings valued in excess of A\$60b, representing an operational scale unmatched by its direct competitors.

SiteMinder continued to deliver strong financial results with revenues growing 31% or 27% year-on-year on a constant currency organic basis (cc,organic) to reach \$151.4m in FY2023. The business grew its annualised revenue run-rate (ARR) by 24% (cc,organic) to exit FY2023 at \$173.1m. The performance was driven by the acceleration in subscriber growth, which benefited from investments made in the business' go-to-market capabilities. This was complemented by the moderating but still strong growth in transaction revenues as the business cycled the abnormally strong Northern Hemisphere summer travel season last year.

The company continues to execute on its strategy of growing its customer base and maximising the value of its customers. This strategy is designed to concurrently deliver sustained high growth and improving unit economics, with these desired outcomes starting to materialise during FY2023. SiteMinder added 4.1k subscribers during FY23 compared to 2.3k in FY22, and the number of transaction products taken-up by its subscriber base increased by 53% year-on-year to 19.9k. The acceleration in activity, in-tandem with a cost management program, helped to almost halve the quarterly underlying free cash out-flow from -\$10.1m at the start of FY23 to -\$5.3m in the last quarter.

As part of its efforts to deliver even more value to its subscribers, SiteMinder completed the acquisition of GuestJoy and announced its Smart Platform strategy during FY2023. Together, these initiatives are designed to help hoteliers optimise the revenue and profit they generate at each stage of a guest's journey. GuestJoy is designed to increase direct bookings and upsell opportunities through automated guest messaging, while the Smart Platform strategy looks to leverage SiteMinder's rich proprietary data assets and deliver intelligent tools that automate and optimise decisions on critical commercial matters such as room rates and distribution. These capabilities represent quantum leap changes in how those functions are currently managed by many independent hoteliers, and will help accelerate SiteMinder's industry leadership and add profitable growth levers to complement its already strong outlook.

SiteMinder continues to target organic revenue growth of 30% in the medium term. The Company expects to be underlying EBITDA profitable and underlying free cash flow positive for H2FY24.

SiteMinder is well capitalised to achieve its strategic initiatives with \$83.6m of liquidity at the end of FY2023. This consists of \$51.3m of cash and cash equivalents, \$2.1m of term deposits, and \$30.2m of undrawn debt facilities.

As a publicly listed company, the valuation of BTI's investment in SiteMinder is determined by the closing share price for the period. As of 30 June 2023, SiteMinder's share price was \$2.92 which values BTI's investment at \$48.8m.

| | |
|---------------------------------|----------------------------|
| Valuation 30 June 2023: | \$48.8m |
| Valuation at 30 June 2022: | \$58.7m |
| Realisation since 30 June 2022: | \$nil |
| Basis for valuation: | Mark to market |
| Securities held: | ASX:SDR |
| | 16,711,400 ordinary shares |

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Operating and Financial Review (continued)

Review of Operations (continued)



Rezdy

Rezdy is one of the few global independent providers of connectivity technology and tools to a broad cross-section of the estimated \$300bn+ tours and activities industry. Rezdy's B2B marketplace offering combines leading booking software, distribution and in-destination agent tools to drive connectivity of online sales of tours and activities globally.

Rezdy's booking software platform is used by over 4,000 tour and activity operators globally, simplifying back-end operations for customers with inventory, scheduling and reservation engines.

Rezdy's booking engine connects operators to both direct-to-consumer website bookings as well as to hundreds of online distribution channels including leading OTAs and thousands of independent travel agencies in over 130 countries.

Rezdy's performance in the financial year to 30 June 2023 (FY23) was strong. Both gross booking value (GBV) and revenue reached new record highs during the period, with GBV up 30% and revenue up 41% on FY22. The stronger revenue growth was driven by a combination of new customers acquired, predominately in North America and Australia, as well as the successful transition of all remaining customers to new pricing plans in FY22. The new pricing plans better align the interests of the business and customers whilst delivering a higher take rate on booking volumes transacted through Rezdy's platform.

Rezdy continued to execute on its B2B marketplace strategy. During the period Management were successful in securing a number of enterprise level agreements and strategic partnerships across both supply and demand side channels. Rezdy is well positioned for continued growth as tour operators continue to seek technology to manage their business and tap into lucrative online channels. Rezdy also benefits from online demand channels as they seek a greater level of inventory of experiences in both local and overseas markets, and in-destination resellers as they seek a more effective tool to manage their customers' demand for experiences.

In May 2023, the shareholders of Rezdy entered into a binding agreement to sell 100% of shares held in Rezdy to a highly regarded US private equity fund. Bailador elected to roll 100% of its investment in Rezdy into the Buyer's acquisition vehicle ("TopCo") and invested an additional \$2.5 million in TopCo equity as part of the transaction. Bailador has also been invited to join the Board of TopCo alongside the Buyer.

We are excited about the new chapter of our investment in Rezdy. The US PE Fund shares our enthusiasm for Rezdy and believe the business has many of the key characteristics required to dominate the sector. The fragmented nature of the tours and activities sector provides a big opportunity for a business that can get the technology, product fit and complex industry relationship management right. New capital will be invested in accelerated customer and revenue acquisition in international markets. We will sit on the board of the new entity and look forward to keeping you updated on new-Rezdy's progress, including an as yet to be announced new trading name.

In FY23, BTI increased its investment in Rezdy by \$5.0m as part of the transaction with the US Private Equity Fund. The total value of Bailador's investment at close is \$24.9m, which translates to a 46% valuation uplift and an effective IRR of 21%. Despite challenging macroeconomic conditions, the growth prospects for the business in FY24 remain strong as demand for travel remains high.

| | |
|--------------------------------|---|
| Valuation 30 June 2023: | \$24.9m |
| Valuation 30 June 2022: | \$12.8m |
| Investment since 30 June 2022: | \$5.0m |
| Basis for valuation: | Price of third-party transaction |
| Securities held: | Convertible preference shares, ordinary shares |

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Operating and Financial Review (continued)

Review of Operations (continued)



Access Telehealth

Founded in 2016, Access Telehealth is a specialist telehealth platform that combines technology and a community of doctors to better connect regional communities, aged care residents and National Disability Insurance Scheme (NDIS) participants to high-quality healthcare.

Access Telehealth employs a unique hybrid patient care model that combines both telehealth and in-person care to deliver an ongoing healthcare program for each patient. By utilising telehealth technologies, the company provides patients with convenient and timely access to a large network of specialist medical professionals.

Bailador invested \$12.5m in Access Telehealth in December 2021 alongside other sophisticated investors and existing shareholders. In December 2022 BTI invested an additional \$3.1m in Access Telehealth taking BTI's total investment to \$15.6m. The funds raised by the company are being used to further its growth plans and achieve profitability.

During FY2023 the business spent considerable time refining its revenue model, putting in place the right operating procedures and delivering software platform enhancements which will act as the foundations for the business' future growth plans. Access Telehealth now has over 250 team members consisting of executives, management, doctors and nurses who deliver over 13,000 consultations per month, and work alongside aged care operators right across Australia.

The company is experiencing very strong growth. In the last financial year revenue has expanded rapidly as the business pivoted its revenue model in its Aged Care vertical. These strong results have been achieved with little to no marketing effort such is the strong product-market fit the business has found. With less than 2% market share of its addressable market Access Telehealth has a large growth runway ahead of it and a community who will benefit from its superior care program.

BTI's investment now sits at the top of Access Telehealth's capital structure. In December 2022 BTI increased the carrying value of Access Telehealth back to its original investment cost and in line with the latest third party valuation.

Access Telehealth financial performance has been very strong throughout FY2023 and the business is on track to be cash flow profitable. BTI maintains a positive outlook on Access Telehealth's future prospects underpinned by the strong and resilient demand for healthcare along with the innovative model they are using to deliver superior levels of care to Australian consumers.

| | |
|--------------------------------|--------------------------------|
| Valuation 30 June 2023: | \$15.6m |
| Valuation 30 June 2022: | \$9.5m |
| Investment since 30 June 2022: | \$3.1m |
| Basis for valuation: | Third-party transaction |
| Securities held: | Preference and ordinary shares |

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Operating and Financial Review (continued)

Review of Operations (continued)



Rosterfy

In April 2023, Bailador invested \$9.8m in volunteer management platform Rosterfy, alongside other sophisticated investors.

Rosterfy provides volunteer and workforce management software to Not-for-Profit (NFP) organisations, government volunteering bodies and mass-scale events which enables communities to connect to events and causes they are passionate about.

Their SaaS platform allows organisations to recruit, screen, train, and schedule their volunteer community which replaces manual processes with automations to better engage and retain their workforce.

Rosterfy is an Australian scale-up company whose customers use their platform to manage over 1.5m volunteers in 20+ countries. The business is growing rapidly having increased recurring revenue more than 100% year-on-year in 2022 as the NFP sector embraces digitisation.

In addition to enterprise Not-for-Profit and government organisations, Rosterfy's software has been pivotal to managing large volunteer workforces at major global events, including the FIFA World Cup Qatar 2022™, 2023 Superbowl in Arizona, and the Commonwealth Games 2022.

Rosterfy's software is also used by NFPs such as Lifeline Australia and the St Vincent de Paul Society to better recruit and manage their volunteer workforce and better enable those organisations to achieve their missions. In the UK, the British Heart Foundation relies on Rosterfy to engage and manage their 38,000 volunteers across 730+ charity stores and fundraising events each year.

Rosterfy is a high-quality business with all of the positive qualities we look for in a new investment:

- Founded by a mission-driven and passionate team that intimately understands the customer problem they are solving having lived their customers' problem while previously running an event management business
- Developed a market-leading product which is globally relevant and solving a mission-critical pain point for NFP organisations – recruiting and retaining volunteers
- Addressing a large market that is undergoing a wave of digitisation – in the US, UK and Australia there are over 2m charitable organisations that receive \$750bn in donations, and 95m people spend 7.6bn hours each year volunteering
- Exhibits highly compelling unit economics, strong capital efficiency and is growing recurring revenue at over 100% year-on-year
- Has an attractive growth runway across its existing customer base and new international markets

The new funding will be used by Rosterfy to further expand its team, particularly in its fast growing US market, double down on a strong pipeline of new product development initiatives, and invest in increased marketing activity in Australia and overseas.

| | |
|--------------------------------|----------------------------------|
| Valuation 30 June 2023: | \$9.8m |
| Investment since 30 June 2022: | \$9.8m |
| Basis for valuation: | Price of third-party transaction |
| Securities held: | Preference shares |

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Operating and Financial Review (continued)

Review of Operations (continued)



Nosto

Nosto is a leading e-commerce platform that enables online brands to deliver authentic, relevant, and personalised experiences at every touchpoint, across every device. An AI-Powered Commerce Experience Platform (CXP) designed for ease of use, Nosto empowers brands to build, launch, and optimise compelling digital experiences without the need for dedicated IT resources or a lengthy implementation process.

Leading brands in over 100 countries use Nosto to grow their business and delight their customers. Global brands such as Muji, Paul Smith, Pangaia, Dermalogica, FIGS, SikSilk and Todd Snyder trust Nosto to deliver relevant and authentic commerce experiences. Nosto supports its clients from its offices in New York, Los Angeles, London, Paris, Berlin, Stockholm, Salzburg, Sydney, and Helsinki.

In January 2022, Nosto acquired SearchNode, a global cloud-based ecommerce search technology company. Nosto plans to integrate the SearchNode technology into its platform, enabling retailers to provide the most relevant search results and personalised experiences across the entire shopping journey.

In December 2022, Nosto announced that it had acquired Findologic, an AI-powered ecommerce search leader in Germany, Austria and Switzerland. Findologic has 50 employees with offices in Austria, Germany and the UK. This was the third acquisition for Nosto in 18 months, after Stackla (who BTI invested in in 2015) and SearchNode, and part of its strategy to become the technology of choice for ecommerce site search and cement its position as the leading CXP for online brands globally.

In February 2023, Nosto announced the launch of its newest technology and latest product in its experience platform for online brands: ecommerce site search. Following the acquisitions of search technologies Findologic and SearchNode in 2022, Nosto's new search product leverages more than a decade of technical ecommerce search experience, ensuring that Nosto's CXP offers the most relevant search results on the market.

Also in February 2023, Nosto announced that it closed a US\$16m funding round led by Helsinki-based Mandatum Asset Management Growth Equity's (MAM GE) team. The capital will be used to scale Nosto's new personalised site search solution globally, accelerating its mission to make every online impression relevant.

Bailador reviewed the valuation implied by the MAM GE funding round, and it was in line with our current carrying value of \$9.2m. Accordingly, BTI held Nosto's carrying value constant at \$9.2m, but noted that was now a third party valuation.

| | |
|--------------------------------|----------------------------------|
| Valuation 30 June 2023: | \$9.2m |
| Valuation 30 June 2022: | \$9.2m |
| Basis for valuation: | Price of third-party transaction |
| Securities held: | Ordinary shares |

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Operating and Financial Review (continued)

Review of Operations (continued)

MOSH

Mosh

Mosh is a digital healthcare brand that makes men's health and wellness accessible, easy and affordable.

BTI invested \$7.5m in Mosh in December 2021. BTI holds convertible notes in Mosh and invested alongside a number of other institutional investors.

Mosh was launched in 2019 by David Narunsky and Gabriel Baker who saw the opportunity to create a digital health solution that enabled stigmatised men's health conditions to be treated discreetly and conveniently.

The company offers subscription treatment plans for hair loss, sexual health, skin care and mental health. Mosh's medical consultations are delivered digitally which increases convenience, accessibility and privacy while also lowering the cost of treatment. The business' all-inclusive treatment plans cover membership, medical treatment, pharmaceuticals and delivery.

Mosh's core treatment plans are for hair loss, sexual health and skin care. During 2023 the team launched to market revamped treatment plans for both mental health and weight loss management. Mosh's new weight loss management plan offers consumers an option of

dietitian programs, weight loss shakes and weight loss medication to provide a holistic weight loss management solution. This new vertical has proved very popular with consumers.

Over the course of 2023 Mosh has focussed on altering the way it invests its marketing spend with an increased focus on performance marketing as opposed to large scale brand marketing. Alongside this focus management spent 2023 optimising the business and its cost base as it moves to profitability. The founders have also been focussed on building out the team across the entire organisation and added a well credential CFO which has further bolstered the already strong executive bench.

Mosh is growing rapidly with over 75,000 Australians having used the service and has developed a strong brand in the fast-growing men's digital healthcare market.

BTI's convertible note converts into equity at a discount to a future valuation and BTI has valued its investment in Mosh at \$7.5m at June 2023 which is in line with the third-party investment cost.

| | |
|--------------------------------|-------------------------|
| Valuation 30 June 2023: | \$7.5m |
| Valuation 30 June 2022: | \$7.5m |
| Basis for valuation: | Third-party transaction |
| Securities held: | Convertible note |

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Operating and Financial Review (continued)

Review of Operations (continued)



Straker Translations

Straker is a world-leading LanguageCloud platform that incorporates a comprehensive range of features, translation software, and translation experts, which enable customers to achieve a seamless translation process from start to finish.

new product development which has materialised in the launch of Straker’s LanguageCloud platform, including integrations to workplace productivity apps such as Slack and Microsoft Teams. Straker has also capitalised on the rapid advancement of AI technologies and integrated functionality into its LanguageCloud platform which delivers increased translation automation.

The financial year ended 31 March 2023 (FY2023) was a solid year for Straker in the face of a difficult macroeconomic environment, particularly in Europe and North America. The Company delivered NZ\$59.4m of revenue or a 6% increase over the prior year. The business also delivered on its goal of increasing margins, with gross margin increasing from 54.3% to 57% for FY2023. The Company also recorded an adjusted EBITDA profit of NZ\$1.4m, up from NZ\$0.2m in the prior year.

The Company remains well funded and has seen a strong rise in operating cashflows to achieve positive free cash flows of NZ\$1 million in H2FY2023. The Company ended its financial year with cash and cash equivalents at NZ\$12.5m and no debt.

The prospects for Straker remain attractive as it leverages its AI-enabled LanguageCloud platform, the increasing acceptance and application of AI by enterprises, and a proven track record of servicing blue-chip customers like IBM. With enterprises embracing AI technology in a post Chat-GPT world the business is prioritising organic over acquisitive growth in FY2023. Delivering sustained revenue growth and increasing operating leverage remains a focus for management in FY24.

As a publicly listed company, the valuation of BTI’s investment in Straker is determined by the change in closing share price for the period. As at 30 June 2023, Straker’s share price was \$0.67, representing a 34% decrease over 30 June 2022.

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At the core of Straker’s LanguageCloud platform is an AI-enabled machine translation engine which is then supplemented with an expert human-in-the-loop overlay. The platform’s integrations, such as Slack and Microsoft Teams, enable businesses to effortlessly access Straker’s translation solution by integrating Straker into their daily workflows. This AI-driven technology platform allows Straker to achieve high volume translations with superior accuracy and deliver industry leading gross margins.

In FY2023 management focussed on integrating the acquisitions of IDEST and Lingotek, which are now both complete. The completion of these integrations delivered ~NZ\$5m in annual operating costs savings which delivered improved cash flow and profitability in FY2023. The completion of the IDEST and Lingotek acquisitions allowed Straker’s R&D teams to direct more emphasis towards

| | |
|--|--------------------------------------|
| Valuation 30 June 2023: | \$6.1m |
| Valuation 30 June 2022: | \$9.3m |
| Realisation/investment since 30 June 2022: | \$nil |
| Basis for valuation: | Mark to market |
| Securities held: | ASX:STG 9,160,354 ordinary shares |

Operating and Financial Review (continued)

Significant Changes in State of Affairs

There was no significant change in the Company's state of affairs during the year.

Events after the Reporting Period

On 3 July 2023 the sale of InstantScripts to API Industries was completed and Bailador received \$52m in cash proceeds for the realisation of its investment. Other than the completion of the sale of InstantScripts, no matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Future Developments, Prospects and Business Strategies

The BTI portfolio is well positioned with a significant portion of the portfolio held in cash. Private technology trading multiples continue to return to sustainable levels and Bailador expects to make investments in the year ahead.

Likely developments, future prospects and the business strategies and operations of the portfolio companies and the economic entity and the expected results of those operations have not been detailed in this report as the directors believe the inclusion of such information would be likely to result in unreasonable prejudice to the Company.

Business Risks

The following exposures to business risk may affect the Company's ability to deliver expected returns:

Market Risk

Investment returns are influenced by market factors such as changes in economic conditions, the legislative and political environment, investor sentiment, natural disasters, war and acts of terrorism.

The investment portfolio is constructed so as to minimise market risks, but those risks cannot be entirely eliminated and the investment portfolio may underperform against the broader market.

Liquidity Risk

There is a risk that the investment portfolio's underlying investments or securities may not be easily converted to cash. Even when the Company does have a significant cash holding, that cash will not necessarily be available to Shareholders.

General Investee Company Risks

There are risks relating to the growth stage internet-related Businesses in which the Company invests including:

- The business model of a particular investee company may be rendered obsolete over time by competition or new technology;
- Some investee companies may not perform to the level expected by the Manager and could fail to implement proposed business expansion and/or product development, reduce in size or be wound up;
- Some investee companies may fail to acquire new funding, whether by way of debt funding or third-party equity funding;
- There is no guarantee of appropriate or timely exit opportunities for the Company, and accordingly the timeframe for the realisation of returns on investments may be longer than expected.

The Company uses a combination of strategies to minimise business risks, including structural and contractual protections, a clear investment strategy and representation on portfolio company boards.

Environmental Regulation

The operations of the Company are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

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Corporate Sustainability and Responsibility

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Sustainability Snapshot

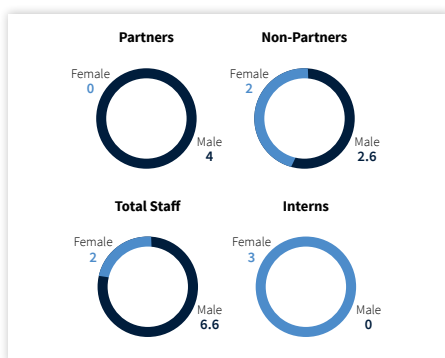
Bailador Technology Investments is regulated by ASIC and the ASX and adheres to the highest standards of corporate governance. Bailador’s standards of corporate governance are outlined in the Corporate Governance Statement found on Page 31 of this report.

Bailador Technology Investments is not an operating company. It has no employees besides its three independent directors and does not consume resources or produce emissions. Bailador Technology Investments has outsourced its management to Bailador Investment Management. For this sustainability snapshot, we will refer to Bailador Technology Investments and Bailador Investment Management together as Bailador.

People and Place

Bailador team

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Bailador is committed to being an inclusive, diverse, and merit-based workplace. Bailador recognises and promotes the values of diversity, respect and opportunity for learning and development in the workplace.

Bailador’s work from home policy is flexible and adaptable. Our focus is providing team members the flexibility and resources to achieve their best. Our team members predominantly choose to work from our office as most people feel this supports their professional development and enhances team building.

In addition to adhering to government leave requirements, Bailador also offers a period of paid parental leave, and we encourage our team to put family first.

Sustainability Snapshot (continued)

People and place (continued)

Bailador intern programme

Bailador offers a paid internship programme for undergraduates who have an interest in the technology and finance sectors. Most interns are university students and choose to work one or two days per week over a three-month period, with the opportunity to assist the team with financial analysis, industry sector research, and report preparation on investment opportunities. Interns are assigned a member of the team to act as a mentor and help provide guidance and support during their tenure.



Pictured: (l-r) Alexander Lenartowicz, Investment Associate at Bailador, and Liana Isaias-White. Liana joined Bailador's intern programme from May to June 2023. Liana did a great presentation for our team on the ChatGPT technology landscape.

Bailador office



Bailador has been at its current office at 20 Bond Street in Sydney since 2020. The A-Grade building has a 5.5 Star NABERS Energy Base Building rating and a 4-Star Green Star (V3) rating. The building is operated by Mirvac and is net carbon positive for Scope 1 and Scope 2 emissions.

The Bailador office is located close to major transport links, such as bus and light rail stops, train stations and ferry services. The 20 Bond Street building also has End of Trip facilities, including showers, changing rooms, and bicycle storage and maintenance facilities, to encourage exercise to and from work.

While we are not able to measure the emissions of the Bailador team's commute, the team commute to work by bus, rail, ferry, walking, cycling or electric vehicle.

Bailador staff have personal workstations with ergonomic sit-stand desks, and the office is designed with several breakout rooms to allow the team to work comfortably. The full team meets weekly, with staff choosing to attend in person or remotely, to encourage communication, collaboration and the sharing of ideas and insights. Bailador has a flexible approach to working but the Bailador team choose to spend most of their time working from the office.

Bailador presents regular opportunities for the team to contribute to broader strategy and direction, including regular strategy days and a team offsite to come together as a group and focus our energies.

Bailador is a safe place to work and has not had a lost time injury since founding in 2010. We pay attention to mitigating risks in the office by ensuring we have good equipment that remains well maintained and by communicating regularly with our team about their needs.

Bailador is great at hiring great people. Excluding interns, our average retention period across our current team is 7.4 years.

Sustainability Snapshot (continued)

Giving Back

Stepping Stone House



Stepping Stone House provides care for homeless children and young adults in its three houses in Sydney. Each year Stepping Stone House partners with the Royal Sydney Yacht Squadron to hold a regatta in which corporates sponsor and sail a boat for the day.



Bailador participated as a Gold Sponsor for the 11th consecutive year and assisted Stepping Stone House to raise funds for a very good cause.

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The Smith Family Challenge

The Smith Family does terrific work in helping disadvantaged kids get an education. In FY23 Bailador again supported The Smith Family Challenge, our fifth consecutive year supporting the event.

Donating our time

Bailador encourages our team to give back and provides time off for team members doing charitable work. Our team members are widely involved in governance roles and giving of their time in supporting community activities and not-for-profit enterprises.

Our team gives their time to valuable causes such as Sydney Festival, food rescue organisations, and Royal Lifesaving Australia.

Sustainability Snapshot (continued)

Climate Change and Carbon Emissions

Bailador is committed to Measure, Manage and Mitigate the carbon emissions we are directly responsible for, and which arise indirectly from our activities.

We follow the Greenhouse Gas Protocol in categorising direct and indirect emissions as set out below.

Measure, Manage & Mitigate

| Greenhouse Gas Protocol Category | Measure | Manage |
|---|--|--|
| Scope 1 Direct Emissions | | |
| Emissions from the direct activities of Bailador or activities under our control. | We have no scope 1 emissions | |
| Scope 2 Indirect Emissions | | |
| Emissions from electricity purchased and used by Bailador. Emissions are created during the production of the energy and eventually used by Bailador. | 4.89 (FY22 3.69) (tonnes CO ₂ e) fully offset | Bailador has purchased carbon credits to fully offset our Scope 2 carbon emissions. |
| Scope 3 Other Indirect Emissions | | |
| Emissions from activities of Bailador occurring from sources we do not own or control. These are emissions associated with, for example, business travel, procurements, waste and water usage. | 4.02 (FY22 1.47) (tonnes CO ₂ e) fully offset. Our Scope 3 carbon footprint derives from travel on firm business. | Bailador has purchased carbon credits to fully offset our Scope 3 carbon emissions. Bailador is working to improve our measuring of Scope 3 emissions. |
| Mitigate | | |
| In FY23 Bailador staff returned to working from the office, and both international and domestic business travel resumed with the opening of borders. As such, Bailador's emissions increased from FY22. Despite purchasing credits to offset our emissions, Bailador's goal is to reduce our emissions use wherever possible. We have decided to invest in projects that remove carbon from the atmosphere and projects that where possible, provide other important benefits to society including job creation and biodiversity enhancement. | | |

Our long-term sustainability framework and goals

| | 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 | ✓✓✓✓ | ✓✓✓ | ✓ |

Establish best practice at Bailador

We believe our governance practices at Bailador are best practice for investment funds and we continue to look for opportunities to improve. Likewise, our people practices and involvement with the community through both financial and in-person contributions are wide-ranging and meaningful. We know we make a difference.

Sustainability Snapshot (continued)

Our long-term sustainability framework and goals (continued)

Integrate ESG principles across the Bailador investment cycle

The Bailador investment cycle has four discrete steps:

Bailador currently undertakes the following governance and sustainability activities across the investment cycle:

| | |
|---|--|
| Step 1: Screening and qualification of opportunities | <ul style="list-style-type: none"> ✓ Bailador undertakes a high-level assessment of carbon intensity and social impact of potential investments. Bailador considers high carbon intensity companies (for example data centres and bitcoin mining) to have a higher risk profile than low carbon intensity businesses ✓ The social impact of investments is a consideration in Bailador’s investment decisions. Over the preceding two years Bailador has invested in digital health businesses (InstantScripts, Access Telehealth, Mosh) and a software business that helps charities manage their volunteer networks (Rosterfy) |
| Step 2: Due diligence, negotiation and investment | <ul style="list-style-type: none"> ✓ Bailador is meticulous in assessing governance capability and the commitment of founders and management to high-class governance ✓ Background research on founders is undertaken ✓ Regular information rights (always) and a board seat (where possible) are negotiated and agreed |
| Step 3: Governance and management support for investee companies | <ul style="list-style-type: none"> ✓ Bailador is almost invariably on the board of investments and from this position is able to influence governance ✓ Bailador often takes the Chair role ✓ Bailador works with the investee company to establish board papers and board sub-committees |
| Step 4: Sale and realisation of investment | <ul style="list-style-type: none"> ✓ Bailador remains tightly involved in sale and realisation processes and supports sales only to reputable buyers ✓ Bailador engages throughout the realisation process to ensure the fair and equitable treatment of investee company employees |

Work and influence portfolio companies

Bailador’s job as a minority investor is to support founders and management to run their businesses as well as possible. By establishing best practice in governance and sustainability at Bailador and communicating expectations, we aim to influence and encourage investee companies.

We expect excellence in governance and people practices in portfolio companies and work hard to ensure these are in place. Over time we hope to see portfolio companies measuring, managing and mitigating carbon intensity and giving back to their communities but we understand we are not running investee companies and there will be variable commitment to this across the portfolio. We aim to be influential over time.

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Corporate Governance Statement

Bailador's Corporate Governance Arrangements

The objective of the Board of Bailador Technology Investments Limited is to create and deliver long-term shareholder value through a range of diversified investments.

The Board considers there to be a unambiguous and positive relationship between the creation and delivery of long-term shareholder value and high-quality corporate governance. Accordingly, in pursuing its objective, the Board has committed to corporate governance arrangements that strive to foster the values of integrity, respect, trust and openness among and between Board members, management and investee companies.

Bailador Technology Investments Limited and its subsidiaries operate as a single economic entity with a unified Board. As such, the Board's corporate governance arrangements apply to all entities within the Company.

Bailador Technology Investments Limited is listed on the Australian Securities Exchange (ASX). Accordingly, unless stated otherwise in this document, the Board's corporate governance arrangements comply with the recommendations of the ASX Corporate Governance Council (including the 4th edition amendments) as well as current standards of best practice for the entire financial year ended 30 June 2023 and have been approved by the Board.

Principle 1: Foundations for Management and Oversight

The Chair is responsible for ensuring individual directors, the Board as a whole and the Manager comply with both the letter and spirit of the Board's governance arrangements. The Chair discharges their responsibilities in a number of ways, primarily through:

- Setting agendas in collaboration with other directors and the Manager;
- Encouraging critical evaluation and debate among directors;
- Managing board meetings to ensure all critical matters are given sufficient attention; and
- Communicating with stakeholders as and when required.

The Board Charter requires all directors to act with integrity and objectivity in taking an effective leadership role in relation to the Company. The Chair ensures all directors have a written agreement outlining their roles and responsibilities and that all directors are in receipt of relevant governance policies.

The Board Charter provides independent directors the right to seek independent professional advice on any matter connected with the discharge of their responsibilities at the Company's expense. Written approval must be obtained from the Chair prior to incurring any such expense on behalf of the Company.

The Board has delegated to the Manager, Bailador Investment Management, all authorities appropriate and necessary to achieve the

Board's objective to create and deliver long-term shareholder value. A complete description of the functions reserved for the Board and those it has delegated to the Manager along with guidance on the relationship between the Board and the Manager is available from the Board Charter available at www.bailador.com.au. Notwithstanding, the Manager remains accountable to the Board and the Board regularly monitors the decisions and actions of the Manager.

The Company Secretary of the Company is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. All Board members communicate directly with the Company Secretary.

The Company Secretary through the Chair is responsible for ensuring:

- All members of the Board receive copies of all market announcements on or prior to release
- Copies of any Company presentations with new substantive information are released to the market ahead of any presentation being given.

Composition and Diversity

The Board considers the current board composition reflects an appropriate balance between executive and non-executive directors that promotes both the generation of shareholder value and effective governance.

The Board also considers that the current board composition reflects an appropriate balance of skills, expertise and experience to achieve its objective of creating and delivering long-term shareholder value. The diverse range of investments the company is involved in necessitates the Board having a correspondingly diverse range of skills, experience and expertise. As BTI invests in internet-related businesses, directors are required to have a strong working knowledge of this sector. In addition, directors need to have a strong understanding of a range of other business requirements, including finance and contract law. To this end, the Board considers its current composition to be appropriate and has in place an active program for assessing whether individual directors and the Board as a whole have the skills and knowledge necessary to discharge their responsibilities in accordance with the Board's governance arrangements. Details of the skills, expertise and experience of each director are provided in the Directors' Report.

For further information on diversity composition, refer to the Company's skills matrix below.

Performance Evaluation

The Board assesses its performance, the performance of individual directors and the performance of its committees annually through internal peer review. The Board also formally reviews its governance arrangements on a similar basis annually. The Chair has conducted individual performance appraisals with Board members throughout the year. In addition, the Nomination and Remuneration Committee have met throughout the year and have found the current board performance and composition to be appropriate.

Corporate Governance Statement (continued)

Board skills matrix

| Governance skills | Directors | Importance |
|--------------------------------------|-----------|------------|
| Strategy | ✓✓✓✓✓ | Essential |
| Financial performance | ✓✓✓✓✓ | Essential |
| Risk and compliance oversight | ✓✓✓✓✓ | Essential |
| Board experience | ✓✓✓✓✓ | Essential |
| Commercial experience | ✓✓✓✓✓ | Essential |
| Qualifications | ✓✓✓✓ | Desirable |
| Capital management experience | ✓✓✓✓✓ | Desirable |
| Sustainability | ✓ | Desirable |

| Industry skills | Directors | Importance |
|--|-----------|------------|
| Expertise in or with SaaS, marketplace or other information technology businesses | ✓✓✓✓ | Essential |
| Qualifications and/or experience in valuing technology businesses | ✓✓✓✓✓ | Essential |
| Experience in or with listed investment businesses | ✓✓✓ | Desirable |
| Private equity/investment banking experience | ✓✓✓✓✓ | Desirable |
| Experience with investor relations | ✓✓✓✓ | Desirable |
| Experience in building a business to scale | ✓✓✓✓ | Desirable |

| Personal attributes | Description |
|--|--|
| Integrity (ethics) | <p>A commitment to:</p> <ul style="list-style-type: none"> understanding and fulfilling the duties and responsibilities of a director, and maintaining knowledge in this regard through professional development acting with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company acting in good faith in the best interests of the Company and for a proper purpose being transparent and declaring any activities or conduct that might be a potential conflict acting with care and diligence maintaining Board confidentiality |
| Influencer and negotiator | The ability to negotiate outcomes and influence others to agree with those outcomes, including an ability to gain broad stakeholder support for the Board's decisions |
| Critical and innovative thinker | The ability to critically analyse complex and detailed information, readily understand key issues, and develop innovative approaches and solutions to problems |
| Industry contributor | A passion and interest in keeping abreast of technology businesses and industry movements |
| Leader | <p>Leadership skills including the ability to:</p> <ul style="list-style-type: none"> appropriately represent the organisation set appropriate Board and Company culture make and take responsibility for decisions and actions |

The Chair should also have the personal attributes to effectively undertake usual Chair functions such as: chairing Board meetings; developing a constructive relationship with the CEO; successfully managing Board succession planning and Board performance; and representing/being a spokesperson for the Company.

Diversity composition

The board is committed to seeking gender representation and, where possible, diversity on the Board should be reflective of the Company's geographic and cultural footprint. Some age diversity should be sought among directors to bring different generational perspectives to the Board's deliberations and the Board should comprise a diverse range of professional experience. The Board should collectively comprise directors who demonstrate competence and experience at board level and/or who have completed formal training in directorship/governance.

Principle 2: Structure of the Board

Nomination and Remuneration Committee

To facilitate structuring the Board to be effective and add value, the Board has established the Nomination and Remuneration Committee. The Nomination and Remuneration Committee has formal terms of reference that outline the committee's roles and responsibilities, and the authorities delegated to it by the Board. Copies of these terms of reference are available at www.bailador.com.au.

The role of the Nomination and Remuneration Committee is to assist the Board by making recommendations to it about the appointment of new directors of the company and advising on remuneration and issues relevant to remuneration policies and practices including for non-executive directors. Specifically, the Nomination and Remuneration Committee oversees:

- Developing suitable criteria for Board candidates;
- Identifying, vetting and recommending suitable candidates for the Board;
- Overseeing Board and director performance reviews;
- Developing remuneration policies for directors; and
- Reviewing remuneration packages annually.

The Nomination and Remuneration Committee comprises five directors (including the Chair of the Board), three of whom are non-executive/independent directors. Consistent with ASX's Corporate Governance Principles and Recommendations, the Chair of the Nomination and Risk Committee is independent and does not hold the position of Chair of the Board.

The names and qualifications of the Nomination and Remuneration Committee members and their attendance at meetings of the committee are included in the Directors' Report.

Further remuneration policy for non-executive/independent directors is provided at www.bailador.com.au.

There are no schemes for retirement benefits for directors.

The Nomination and Remuneration Committee charter can be found at www.bailador.com.au.

Independence

The Board comprises five directors, three of whom are non-executive and meet the Board's criteria, and ASX Guidelines, as to be considered independent. The names of the non-executive/independent directors are:

- Andrew Bullock
- Jolanta Masojada
- Brodie Arnhold

A list of the Board's directors for the year ended 30 June 2023, along with their biographical details is provided in the Directors' Report.

An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. For a director to be considered independent, they must meet all of the following materiality thresholds:

- Not hold, either directly or indirectly through a related person or entity, more than 5% of the company's outstanding shares;
- Not benefit, either directly or through a related person or entity, from any sales to or purchases from the company or any of its related entities, and
- Derive no income, either directly or indirectly through a related person or entity, from a contract with the company or any of its related entities.

The length of service of each director is disclosed with each director's profile in the Director's report.

Professional Development

The Chair, supported by the Chair of the Nomination and Remuneration Committee ensures the Board is provided appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as directors effectively. A copy of Bailador's Board skills matrix can be found on Page 32.

Principle 3: Ethical Standards

The Board is committed to its core governance values of integrity, respect, trust and openness among and between Board members, management and portfolio companies. These values are enshrined in the Board's Code of Conduct policy which is available at www.bailador.com.au.

The Code of Conduct policy requires all directors to at all times:

- Act in good faith in the best interests of the Company and for a proper purpose;
- Comply with the law and uphold values of good corporate citizenship;
- Avoid any potential conflict of interest or duty;
- Exercise a reasonable degree of care and diligence;
- Not make improper use of information or position; and
- Comply with the company's Code of Conduct and Securities Trading Policy.

Corporate Governance Statement (continued)

Directors are required to be independent in judgement and ensure all reasonable steps are taken to ensure the Board's core governance values are not compromised in any decisions the Board makes.

The Company does not have a formal whistle-blower policy or anti-bribery and corruption policy. As the Company does not employ any staff, such policies fall to the responsibility of the Manager. Employees of the Manager have been provided access to the Chair of the Audit and Risk Committee as a point of contact for ethics concerns.

Share Ownership and Share Trading Policy

Details of directors' individual shareholdings in Bailador Technology Investments Limited are provided in the remuneration report.

The Bailador Technology Investments Limited Securities Trading Policy is set by the Board. The policy restricts directors from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the company's share price. A detailed description of the Board's policy regarding directors trading in Bailador Technology Investments Limited shares is available from the Board's Code of Conduct and Securities Trading Policy, both of which are available at www.bailador.com.au.

Directors are prohibited from trading for short term speculative gain.

Principle 4: Integrity of Reporting

Audit and Risk Committee

To facilitate safeguarding the integrity of corporate reports, the Board has established the Audit and Risk Committee. The Audit and Risk Committee has formal terms of reference that outline the committee's roles and responsibilities, and the authorities delegated to it by the Board. Copies of these terms of reference are available at www.bailador.com.au.

The role of the Audit and Risk Committee is to assist the Board by advising on the establishment and maintenance of a framework of internal controls and to assist the Board with policy on the quality and reliability of financial information prepared for use by the Board. Specifically, the Audit and Risk Committee oversees:

- The appointment, independence, performance and remuneration of the external auditor;
- The integrity of the audit process;
- The effectiveness of the internal controls; and
- Compliance with applicable regulatory requirements.

Information on the Board's procedures for the selection and appointment of the external auditor, and for the rotation of the

external audit engagement partners, is available from the company's website www.bailador.com.au.

The Audit and Risk Committee comprises five directors (including the Chair of the Board), three of whom are non-executive/independent directors. Consistent with ASX's Corporate Governance Principles and Recommendations, the Chair of the Audit and Risk Committee is independent and does not hold the position of Chair of the Board.

The names and qualifications of the Audit and Risk Committee members and their attendance at meetings of the Committee are included in the Directors' Report.

A copy of the Company's Audit and Risk Committee charter can be found at www.bailador.com.au.

Declaration by the Manager

Before approval of the Company's financial statements for a financial period, the Board receives a declaration from the Manager that in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Other Periodic Reporting

The Board has delegated to the Manager, Bailador Investment Management, all authorities appropriate and necessary to issue periodic corporate reports to the market that are not audited or reviewed by an external auditor. Through regular reporting to the Board, the Manager provides on-going confidence to the board of the integrity of announcements to market. These processes include:

- A clear line of authority for release of announcements, including approval by one executive director prior to release;
- Cross checking calculations across multiple qualified staff and checking to source documentation.

Principle 5: Balanced and Timely Disclosure

The Board is accountable to the shareholders for creating and delivering shareholder value through governance of the Company's business activities. The discharge of these responsibilities is facilitated by the Board delivering to shareholders timely and balanced disclosures about the Company's performance.

As a part of its corporate governance arrangements, the Board has established a strategy for engaging and communicating with shareholders that includes:

- Monthly updates to the ASX and the Company website with the Company's net asset backing;

Corporate Governance Statement (continued)

- Presentations to investors and media briefings, which are also placed on the Company website; and
- Actively encouraging shareholders to attend and participate in the Company's Annual General Meeting.

The Company maintains an "ASX First" communication and ensures new and substantive presentations are released to the ASX prior to the announcement being circulated or presented.

A detailed description of the Board's communication policy is provided at www.bailador.com.au.

The Board receives copies of all market announcements either before announcement or promptly thereafter.

Principle 6: Respecting Shareholders

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. All voting matters are determined via a poll. The Board actively encourages shareholders to attend and participate in the Annual General Meetings of Bailador Technology Investments Limited, to lodge questions to be responded to by the Board and/or the Manager, and to appoint proxies.

The Company ensures its statutory auditor attends the Annual General Meeting and is available to answer questions from shareholders relevant to the audit.

The Board ensures security holders are provided with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

The Board encourages shareholders to receive information electronically wherever possible.

Principle 7: Risk Management

The Board considers identification and management of key risks associated with the business as vital to creating and delivering long-term shareholder value.

The main risks that could negatively impact on the performance of the Company's investments include:

- General market risk, particularly in worldwide tech sector stocks;
- General interruption to the Australian venture capital sector;
- The ability of the Manager to continue to manage the portfolio, particularly retention of the Manager's key management personnel;
- Minority holdings risk where other larger investors in our portfolio companies may make decisions the Company disagrees with; and
- Other operational disruptions within portfolio companies due to changes in competition or technology, key management personnel, cash-flow and other general operational matters.

The Company does not have an internal audit function. The Manager has been delegated the task of implementing internal controls to identify and manage risks for which the Audit and Risk Committee and the Board provide oversight. The effectiveness of these controls is monitored and reviewed regularly.

The Board has reviewed its risk management framework, including the absence of significant environmental or social risk, in the last 12 months and is satisfied the framework is sound and appropriate for the risk appetite of the Board.

A summary of the Board's risk management policy is available at www.bailador.com.au.

Other Information

Further information relating to the Company's corporate governance practices and is at www.bailador.com.au.

Directors' Report



Your directors submit the financial report of the Company for the financial year ended 30 June 2023. The information in the preceding operating and financial review forms part of this Directors' Report for the year ended 30 June 2023 and is to be read in conjunction with this report:

Directors

The names of directors who held office during or since the end of the year:

- David Kirk (Chairman)
- Paul Wilson
- Andrew Bullock
- Jolanta Masojada
- Brodie Arnhold

Dividends

A fully franked final dividend of 3.2 cents per share amounting to \$4.6m has been declared by the Board on 16 August 2023. The final dividend will be paid on 7 September 2023 to shareholders on record as at 22 August 2023.

The final dividend announced on 16 August 2023 represents a regular dividend of 2% of company NTA pre-tax which is in line with the company target announced to shareholders on 1 June 2022.

The Company's dividend reinvestment plan (DRP) announced on 13 February 2020 will apply to the dividend announced on 16 August 2023.

Indemnifying Officers or Auditor

During the year, Bailador Technology Investments Limited paid a premium to insure officers of the Company. The officers of the Company covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Company has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Company against a liability incurred as such by an officer or auditor.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 41 of the Financial Report.

Non-audit Services

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied the services disclosed below did not compromise the external auditor's independence as the nature of the services provided does not compromise the general principles relating to audit independence in accordance with APES 110: *Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* set by the Accounting Professional & Ethical Standards Board. All non-audit services have been reviewed and approved to ensure they do not impact the integrity and objectivity of the auditor.

The following fees were paid or payable to Hall Chadwick for non-audit services provided during the year ended 30 June 2023:

| | \$ |
|-------------------|----------|
| Taxation Services | \$11,660 |

Rounding of Amounts

The Company has applied the relief available to it under *ASIC Corporations (rounding in Financial/Directors' Reports) Instrument 2016/191* and accordingly certain amounts in the financial report and the Directors' Report have been rounded off to the nearest \$1,000.

Share Capital

There are no unissued ordinary shares of the Company under options as at 30 June 2023.

No shares or options are issued to directors of Bailador Technology Investments Limited as remuneration.

Directors' Report (continued)

Information Relating to Directors and Company Secretary

Refer to Pages 6 and 7 for information on directors.

Helen Foley

Company Secretary

- Helen has over 25 years of experience in finance, corporate development and governance holding senior roles at Inchcape Motors Australia, Tubemakers of Australia and BRW Fast 100 winner and technology company, LX Group. In addition, Helen has consulted on best practice finance systems across a range of companies and government bodies.
- Helen holds a Bachelor of Commerce in Accounting and a Masters in Politics and Public Policy. She is a Fellow of CPA Australia, a graduate of the Australian Institute of Company Directors and a Justice of the Peace in NSW.

Meetings of Directors

During the period, 8 meetings of directors and 4 committee meetings were held. Attendances by each director during the period was as follows:

| | Directors' Meetings | | Audit & Risk Committee Meetings | | Nomination & Remuneration Committee Meetings | |
|------------------|------------------------------|--------------------|------------------------------------|--------------------|---|--------------------|
| | Number eligible to attend | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| David Kirk | 8 | 8 | 3 | 3 | 1 | 1 |
| Paul Wilson | 8 | 8 | 3 | 3 | 1 | 1 |
| Andrew Bullock | 8 | 8 | 3 | 3 | 1 | 1 |
| Jolanta Masojada | 8 | 8 | 3 | 3 | 1 | 1 |
| Brodie Arnhold | 8 | 8 | 3 | 3 | 1 | 1 |

Remuneration Report (Audited)

Remuneration Policy

Bailador Technology Investments Limited does not employ any personnel. The Board has delegated management of the investment portfolio to the Manager, Bailador Investment Management Pty Ltd.

David Kirk and Paul Wilson are directors of Bailador Technology Investments Limited and are also directors and owners of Bailador Investment Management Pty Ltd.

The Manager is responsible for managing the Investment Portfolio in accordance with the Company's investment strategy. The Manager was appointed in 2014 for an initial term of 10 years and in accordance with the agreement's terms will automatically extend after that term until either the agreement is terminated or a new agreement is agreed.

The Board has recognised the Manager as Key Management Personnel (KMP) given it has the authority and responsibility for planning, directing and controlling the activities of the Company. At least one of David Kirk or Paul Wilson are required to continue to be directors of the Manager and must continue to be actively involved in the management of the investment portfolio during the initial term of the agreement.

The Board has agreed that the independent directors, Andrew Bullock, Jolanta Masojada and Brodie Arnhold, are to receive \$70,000 per annum. The Executive Directors do not receive any remuneration.

Bailador Technology Investments Limited pays a management fee of 1.75% per annum (plus GST) of the portfolio NAV. Fees are calculated and paid at the beginning of each quarter in advance. The management fee for a quarter is then adjusted and paid at the end of the quarter based on increases or decreases in the NAV. All the costs of the Manager, including staff, rent, training, and other costs are paid for from this fee.

In addition, the Manager is entitled to receive a performance fee equal to 17.5% per annum (plus GST) of the investment portfolio's gain each year subject to outperforming a hurdle of 8.0% per annum (compounded). The performance fee is only payable from realised gains.

During the period the Company did not exceed the performance fee hurdle and there is no performance fee payable to the Manager for FY23. The Company has made a provision for future performance fees payable based on the growth in applicable net tangible assets throughout the financial year.

Directors' Report (continued)
Remuneration Report (continued)

For further information on performance fee calculation please see the Company's prospectus.

Amounts paid or payable to the Manager relating to the year ended 30 June 2023 are as follows:

| | |
|--|-------------|
| Base management fee | \$4,353,389 |
| Reimbursement of portfolio management expenses | \$301,932 |

Key Management Personnel (KMP) Remuneration

Remuneration paid or payable to each KMP of the Company during the financial year is as follows:

| | Position | Directors' Fees |
|------------------|---|-----------------|
| David Kirk | Chairman and Executive Director | - |
| Paul Wilson | Executive Director | - |
| Andrew Bullock | Non-executive Director | 70,000 |
| Jolanta Masojada | Non-executive Director | 70,000 |
| Brodie Arnhold | Non-executive Director | 70,000 |
| | Non-recoverable GST incurred on director payments | 14,000 |
| | | 224,000 |

KMP Shareholdings

The number of ordinary shares in Bailador Technology Investments Limited held by each KMP of the Company during the financial year is as follows:

| | Balance at 30 June 2022 | Net number of shares acquired | Net number of shares disposed | Balance at 30 June 2023 |
|------------------|----------------------------|----------------------------------|----------------------------------|----------------------------|
| David Kirk | 9,257,356 | 1,016,984 | - | 10,274,340 |
| Paul Wilson | 4,326,914 | 612,747 | - | 4,939,661 |
| Andrew Bullock | 432,319 | 6,389 | - | 438,708 |
| Jolanta Masojada | 146,324 | 51,848 | - | 198,172 |
| Brodie Arnhold | 109,897 | 8,898 | - | 118,795 |
| | 14,272,810 | 1,696,866 | - | 15,969,676 |

KMP Option Holdings

There were no options on issue to KMP at any point during the financial year.

Directors' Report (continued)

Remuneration Report (continued)

Other Transactions with KMP and their Related Parties

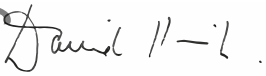
David Kirk and Paul Wilson receive directors' fees in relation to directorships of portfolio companies. Paul Wilson earned \$131,667 from SiteMinder, and \$29,167 from Straker Translations and \$12,500 from InstantScripts. David Kirk did not receive any director's fees during the period.

The Manager received a fee from Rezdy of \$300,000 for operating as the seller's agent on the sale of Rezdy.

The Manager received \$40,833 from Straker Translations for director's fees relating to James Johnstone's role on the Straker Translations board.

There were no other transactions conducted between the Company and related parties, (other than those disclosed above with the Manager), relating to equity, compensation and loans, that were conducted other than in accordance with normal supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

This Directors' Report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



David Kirk
Director



Paul Wilson
Director
Dated this 16th day of August 2023

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Auditor's Independence Declaration



BAILADOR TECHNOLOGY INVESTMENTS LIMITED
ABN 38 601 048 275

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BAILADOR TECHNOLOGY INVESTMENTS LIMITED**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

In accordance with Section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Bailador Technology Investments Limited. As the lead audit partner for the audit of the financial report of Bailador Technology Investments Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick (NSW)

Level 40, 2 Park Street
Sydney, NSW 2000

Stewart Thompson
Partner
Dated: 16 August 2023



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Statement of Profit or Loss and Other Comprehensive Income

for the Year Ended 30 June 2023

| | Note | 30 June 2023 \$000 | 30 June 2022 \$000 |
|--|------|-----------------------|-----------------------|
| Increase in value of financial assets | 2 | 13,114 | 70,667 |
| FX gains | | 110 | - |
| Interest income | | 2,902 | 197 |
| Accounting fees | | (351) | (295) |
| ASX fees | | (82) | (76) |
| Audit fees | 6 | (73) | (67) |
| Costs of realisation of financial assets | | (19) | (5,774) |
| Directors' fees | | (224) | (216) |
| Independent valuations | | (56) | (65) |
| Insurance | | (252) | (244) |
| Investor relations | | (288) | (288) |
| Legal fees | | (55) | (32) |
| Manager's fees | 5 | (4,353) | (4,451) |
| Manager's performance fees | 5 | (1,833) | (10,625) |
| Registry administration | | (69) | (70) |
| Other expenses | | (81) | (52) |
| Profit before income tax | | 8,390 | 48,609 |
| Income tax expense | 3 | (2,975) | (14,640) |
| Profit for the year | | 5,415 | 33,969 |
| Other comprehensive income | | | |
| Total comprehensive income for the year | | 5,415 | 33,969 |
| Earnings per share | | | |
| - basic earnings per share (cents) | 8 | 3.77 | 24.11 |
| - diluted earnings per share (cents) | 8 | 3.77 | 24.11 |

The accompanying notes form part of these financial statements.

Statement of Financial Position

for the Year Ended 30 June 2023

| | Note | As at 30 June 2023 \$000 | As at 30 June 2022 \$000 |
|--------------------------------------|------|-----------------------------|-----------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 9 | 57,755 | 143,784 |
| Current marketable securities | 4 | 54,935 | 68,001 |
| Trade and other receivables | 10 | 2,580 | 934 |
| TOTAL CURRENT ASSETS | | 115,270 | 212,719 |
| NON-CURRENT ASSETS | | | |
| Financial assets | 4 | 118,980 | 60,051 |
| Deferred tax assets | 12 | 2,780 | 4,863 |
| TOTAL NON-CURRENT ASSETS | | 121,760 | 64,914 |
| TOTAL ASSETS | | 237,030 | 277,633 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 231 | 10,773 |
| Income tax payable | | - | 30,391 |
| TOTAL CURRENT LIABILITIES | | 231 | 41,164 |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | | 1,833 | - |
| Deferred tax liabilities | 12 | 14,953 | 11,783 |
| TOTAL NON-CURRENT LIABILITIES | | 16,786 | 11,783 |
| TOTAL LIABILITIES | | 17,017 | 52,947 |
| NET ASSETS | | 220,013 | 224,686 |
| EQUITY | | | |
| Issued capital | 13 | 148,979 | 143,599 |
| Retained earnings | | 71,034 | 81,087 |
| TOTAL EQUITY | | 220,013 | 224,686 |

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the Year Ended 30 June 2023

| | Note | Ordinary Share Capital \$000 | Retained Earnings \$000 | Total \$000 |
|---|------|------------------------------------|-------------------------------|----------------|
| Balance at 1 July 2021 | | 142,871 | 49,085 | 191,956 |
| Comprehensive income | | | | |
| Profit for the year | | - | 33,969 | 33,969 |
| Total comprehensive income for the period | | - | 33,969 | 33,969 |
| Transactions with owners, in their capacity as owners, and other transfers | | | | |
| Dividend paid | 7 | - | (1,967) | (1,967) |
| Shares issued under company DRP | 13 | 728 | - | 728 |
| Total transactions with owners and other transfers | | 728 | (1,967) | (1,239) |
| Balance at 30 June 2022 | | 143,599 | 81,087 | 224,686 |
| Balance at 1 July 2022 | | 143,599 | 81,087 | 224,686 |
| Comprehensive income | | | | |
| Profit for the year | | - | 5,415 | 5,415 |
| Total comprehensive income for the period | | - | 5,415 | 5,415 |
| Transactions with owners, in their capacity as owners, and other transfers | | | | |
| Dividend paid | 7 | - | (15,468) | (15,468) |
| Shares issued under company DRP | 13 | 5,380 | - | 5,380 |
| Total transactions with owners and other transfers | | 5,380 | (15,468) | (10,088) |
| Balance at 30 June 2023 | | 148,979 | 71,034 | 220,013 |

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

for the Year Ended 30 June 2023

| | Note | 30 June 2023 \$000 | 30 June 2022 \$000 |
|---|------|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments to suppliers and employees | | (16,382) | (13,317) |
| Income tax paid | | (30,391) | - |
| Interest received | | 2,856 | 127 |
| Net cash used in operating activities | 15 | (43,917) | (13,190) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of financial assets at fair value through profit and loss | | (32,855) | (39,166) |
| Realisation of financial assets at fair value through profit and loss | | 756 | 159,777 |
| FX gains relating to investments | | 107 | - |
| Costs associated with sale of financial assets | | - | (5,937) |
| Proceeds from / (net cash used in) investing activities | | (31,992) | 114,674 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividends paid | | (10,096) | (1,233) |
| Costs associated with raising capital | 13 | (24) | (9) |
| Net cash provided by financing activities | | (10,120) | (1,242) |
| Net increase in cash held | | (86,029) | 100,242 |
| Cash and cash equivalents at beginning of year | | 143,784 | 43,542 |
| Cash and cash equivalents at end of year | | 57,755 | 143,784 |

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

for the Year Ended 30 June 2023

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with requirements of the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. It is recommended that this financial report be read in conjunction with any public announcements made during the period. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

These financial statements were authorised for issue on 16 August 2023.

Accounting Policies

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Investments

The Company has been classified under AASB 2013-5 as an Investment Entity whose business purpose is to invest funds solely for returns via capital appreciation and/or investment returns. As the Company has been classified as an Investment Entity, the portfolio investments have been accounted for at fair value through the profit or loss and shown as Financial Assets in the Statement of Financial Position.

Investments held at fair value through profit or loss are initially recognised at fair value. Transaction costs related to acquisitions are expensed to profit and loss immediately. Subsequent to initial recognition, all financial instruments held at fair value are accounted for at fair value, with changes to such values recognised in the profit or loss.

In determining year-end valuations, the board considers the annual valuation review by an independent valuation expert and the valuation report prepared by the Manager along with other material deemed appropriate by the board in arriving at valuations.

In determining valuations, whilst considering individual portfolio company valuations, the board determines the overall value of the investment portfolio and determines company revenue as the change in the total value of financial assets held at fair value through profit or loss. The board will, if relevant, give consideration to any commercial negotiations underway at the time of valuation and may maintain the

value of an investment if a change in valuation would prejudice the interests of the company.

Investments are recognised on a trade date basis.

The entity is exempt from consolidating underlying investees it controls in accordance with AASB 10 Consolidated Financial Statements.

b. Fair Value of Assets and Liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in Note 19.

c. Taxation

The income tax expense for the period comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities / (assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 1: Summary of Significant Accounting Policies (continued)

No deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at amortised cost or fair value through profit or loss.

A financial asset that is managed solely to collect contractual cash flows and the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest is measured at amortised cost.

All financial assets that are not measured at amortised cost are measured at fair value through profit or loss.

(i) Financial assets at fair value through profit or loss

A financial asset is classified at “fair value through profit or loss” when it eliminates or reduces an accounting mismatch or to enable performance evaluation where a group of financial assets is managed on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

(ii) Financial liabilities

Financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Impairment losses are recognised in the profit or loss immediately.

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, to the asset’s carrying amount. Any excess of the carrying amount over its recoverable amount is recognised immediately in the profit or loss.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset and the Company no longer controls the asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of consideration received and receivable is recognised in profit or loss.

An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including

Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 1: Summary of Significant Accounting Policies (continued)

the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short term highly liquid investments with original maturities of 3 months or less.

f. Trade and Other Receivables

Trade and other receivables include amounts due from government authorities and prepayments for services performed in the ordinary course of business. Receivables expected to be collected (or utilised) within 12 months of the end of the reporting period are classified as current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

g. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

h. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are

recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

i. Interest Income

Interest revenue is recognised using the effective interest method.

j. Rounding of Amounts

The Company has applied the relief available to it under ASIC Corporations (rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest \$1,000.

k. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. Detailed information about each of these estimates and judgements is included in Note 18 in the financial statements.

l. Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The comparative period represents the period from 1 July 2021 to 30 June 2022.

m. New Accounting Standards Implemented

No new accounting standards were adopted during the period.

Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 2: Profit For The Year

| | 30 June 2023 | 30 June 2022 |
|--|--------------|--------------|
| | \$000 | \$000 |
| The following revenue and expense items are relevant in explaining the financial performance for the year: | | |
| Fair value gains on financial assets and marketable securities at fair value through profit or loss | 13,114 | 70,667 |
| (in '000s) | | |
| Gains on marketable securities and financial assets where: | | |
| - InstantScripts increased \$20,461 | | |
| - SiteMinder decreased \$9,860 | | |
| - Rezdy increased \$7,088 | | |
| - Access Telehealth increased \$3,000 | | |
| - Straker Translations decreased \$3,206 | | |
| - Brosa decreased \$4,476 | | |
| Costs of realisation of financial assets | 19 | 5,774 |

Note 3: Tax Expense

| | 30 June 2023 | 30 June 2022 |
|---|--------------|--------------|
| | \$000 | \$000 |
| a. The components of tax expense comprise: | | |
| Current tax | (457) | (30,390) |
| Deferred tax | (2,518) | 15,750 |
| | (2,975) | (14,640) |
| b. The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax payable as follows: | | |
| Profit for the period before income tax expense | 8,390 | 48,609 |
| Prima facie tax on profit from ordinary activities before income tax at 30% | (2,517) | (14,583) |
| Tax effect of: | | |
| - Permanent difference on FY22 income tax clawback | (457) | - |
| - Other deductions | (1) | (57) |
| Income tax attributable to entity | (2,975) | (14,640) |
| The weighted average effective tax rate is as follows: | 35% | 30% |

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Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 4: Marketable Securities & Financial Assets

| | As at 30 June 2023 \$000 | As at 30 June 2022 \$000 |
|---|--------------------------------|--------------------------------|
| Current Marketable Securities | | |
| SiteMinder | 48,797 | 58,657 |
| Straker Translations | 6,138 | 9,344 |
| Total Current Marketable Securities | 54,935 | 68,001 |
| Financial Assets | | |
| InstantScripts | 52,069 | 16,607 |
| Rezdy | 24,896 | 12,808 |
| Access Telehealth | 15,591 | 9,500 |
| Rosterfy | 9,764 | - |
| Nosto | 9,160 | 9,160 |
| Mosh | 7,500 | 7,500 |
| Brosa | - | 4,476 |
| Total Financial Assets | 118,980 | 60,051 |
| Total Financial Assets & Marketable Securities | 173,915 | 128,052 |

Note 5: Management Fees

The Company has outsourced its investment management function to Bailador Investment Management Pty Ltd. Bailador Investment Management Pty Ltd is a privately owned investment management company and is a related party of Bailador Technology Investments Limited.

a. Management fees

The Manager is entitled to be paid a management fee equal to 1.75% of the portfolio Net Asset Value (NAV) plus GST per annum. The management fee is calculated and paid quarterly in advance. Each quarter the average of the opening and closing NAV for the quarter is calculated and an adjustment to the pre-paid fee is made depending on whether NAV has increased or decreased during the quarter.

During the period, the Company incurred \$4,353,389 of management fees payable to the Manager, of which \$106,180 was unclaimable GST the manager remitted as GST to the ATO.

b. Reimbursement of portfolio management expenses

Under the management agreement, the Manager is also entitled to be reimbursed for certain out of pocket expenses incurred in the acquisition and disposal of portfolio assets and in the management of portfolio assets.

During the period, the Company reimbursed the Manager \$301,932 for travel and other expenses incurred in the management of the investment portfolio.

c. Performance fees

At the end of each financial year, the Manager is entitled to receive a performance fee from the Company, the terms of which are outlined below:

The performance fee will be calculated as 17.5% of the NAV gain per annum plus GST, being the amount by which the portfolio NAV at the end of a financial year exceeds or is less than the portfolio NAV at the start of the financial year and where that gain exceeds a compound hurdle rate of 8%.

Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 5: Management fees (continued)

The performance fee will be accrued on an annual basis in arrears and will only be paid at times when proceeds received from realisation of investments is available to the Company and will be paid in respect of the whole amount of the gain (not just the amount over the 8% hurdle), subject to the following caveats:

- If the performance fee for a financial year is a positive amount but the investment return for the financial year does not exceed the hurdle return for the financial year, no performance fee shall be payable to the manager in respect of that financial year, and the positive amount of the performance fee shall be carried forward to the following financial year;
- If the performance fee for a financial year is a negative amount, no performance fee shall be payable to the manager in respect of that financial year, and the negative amount shall be carried forward to the following year; and
- Any negative performance fee amounts from previous financial years that are not recouped in a financial year shall be carried forward to the following financial year.

The performance fee can be fully or partially paid by the issue of shares in Bailador Technology Investments Limited or in cash at the Manager's election, the details of which are outlined below:

If the Manager elects at least 5 business days prior to the performance fee payment date that all or part of the performance fee is to be applied to the issue of shares in the company, the company must, if permitted by applicable laws (including the Listing Rules and the Corporations Act) without receiving any approvals from the shareholders of the Company, apply the cash payable in respect of the relevant amount to the issue of shares to the Manager or its nominee on the performance fee payment date where

$N = PF / \text{Issue Price}$

Where

N is the number of shares issued

PF is the cash value of the performance fee to be paid in shares

Issue Price is the lesser of:

- The volume weighted average price of shares traded on the ASX during the period of 30 calendar days up to but excluding the performance fee payment date; and
- The last price on the last day on which the shares were traded on the ASX prior to the performance fee payment date.

During the period the Company did not exceed the performance fee hurdle and there is no performance fee payable to the Manager for FY23.

The Company has made a provision for future performance fees payable based on the growth in applicable net tangible assets throughout the financial year.

For further information on performance fee calculation please see the Company's [prospectus](#).

Note 6: Auditor's Remuneration

| | 30 June 2023 | 30 June 2022 |
|--|--------------|--------------|
| | \$000 | \$000 |
| Remuneration of the auditor for: | | |
| Auditing or reviewing the financial statements | 73 | 67 |
| Taxation services | 11 | 22 |
| | 84 | 89 |

Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 7: Dividends

| | 30 June 2023 \$000 | 30 June 2022 \$000 |
|----------------------------------|-----------------------|-----------------------|
| Final dividend of prior year | 5,216 | - |
| Interim dividend of current year | 5,035 | - |
| Special dividends | 5,217 | 1,967 |
| | 15,468 | 1,967 |

Franking Credits

| | | |
|--|--------|--------|
| Franking credits available as at 30 June | 23,763 | 1 |
| Franking credits arising from the payment of tax | - | 30,390 |
| Total franking credits available | 23,763 | 30,391 |

Dividends paid in FY23 were fully franked at 30%. The Company's franking rate for payment of dividends in FY24 will be 25%.

Note 8: Earnings per Share

| | 30 June 2023 \$000 | 30 June 2022 \$000 |
|---|-----------------------|-----------------------|
| Profit/(Loss) after income tax | 5,415 | 33,969 |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic and diluted earnings per share | 143,589,622 | 140,877,262 |
| | Cents | Cents |
| Basic earnings per share | 3.77 | 24.11 |
| Diluted earnings per share | 3.77 | 24.11 |

Note 9: Cash and Cash Equivalents

| | As at 30 June 2023 \$000 | As at 30 June 2022 \$000 |
|--------------|--------------------------------|--------------------------------|
| Cash at bank | 57,755 | 143,784 |
| | 57,755 | 143,784 |

The Company does not have Trade Receivables. The Company uses the approaches in Note 1(d) in assessing credit losses on GST, interest receivable and other prepayments. At 30 June 2023 all receivables and prepayments were within expected terms.

Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 10: Trade and Other Receivables

| | As at 30 June 2023 \$000 | As at 30 June 2022 \$000 |
|-----------------------------|--------------------------------|--------------------------------|
| CURRENT | | |
| GST receivable | 77 | 97 |
| Income tax receivable | 2,286 | - |
| Interest receivable | 120 | 75 |
| Investment exits receivable | - | 664 |
| Other prepayments | 97 | 98 |
| | 2,580 | 934 |

Note 11: Trade and Other Payables

| | As at 30 June 2023 \$000 | As at 30 June 2022 \$000 |
|-------------------------|--------------------------------|--------------------------------|
| CURRENT | | |
| Trade creditors | 160 | 22 |
| Performance fee payable | - | 10,625 |
| Other payables | 71 | 126 |
| | 231 | 10,773 |
| NON CURRENT | | |
| Performance fee accrued | 1,833 | - |
| | 1,833 | - |

Note 12: Income Tax

| | As at 30 June 2023 \$000 | As at 30 June 2022 \$000 |
|-----------------------|--------------------------------|--------------------------------|
| CURRENT | | |
| Income tax payable | - | 30,391 |
| Income tax receivable | 2,286 | - |

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Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 12: Income Tax (continued)

| | Balance at 30 June 2021 \$000 | Charged to profit or loss \$000 | Charged directly to equity \$000 | Balance at 30 June 2022 \$000 |
|--------------------------------------|-------------------------------------|---------------------------------------|--|-------------------------------------|
| NON-CURRENT | | | | |
| Deferred tax liabilities | | | | |
| Tax on unrealised gains | 34,227 | (24,064) | - | 10,163 |
| Tax on acquisition assets on opening | 2,458 | (838) | - | 1,620 |
| | 36,685 | (24,902) | - | 11,783 |

| | Balance at 30 June 2022 \$000 | Charged to profit or loss \$000 | Charged directly to equity \$000 | Balance at 30 June 2023 \$000 |
|--------------------------------------|-------------------------------------|---------------------------------------|--|-------------------------------------|
| Deferred tax liabilities | | | | |
| Tax on unrealised gains | 10,163 | 3,170 | - | 13,333 |
| Tax on acquisition assets on opening | 1,620 | - | - | 1,620 |
| | 11,783 | 3,170 | - | 14,953 |

| | Balance at 1 July 2021 \$000 | Charged to profit or loss \$000 | Charged directly to equity \$000 | Balance at 30 June 2022 \$000 |
|-------------------------------------|------------------------------------|---------------------------------------|--|-------------------------------------|
| Deferred tax assets | | | | |
| Provisions | 2,222 | 994 | - | 3,216 |
| Transaction costs on acquisitions | 58 | (15) | - | 43 |
| Transaction costs on equity issue | 140 | (36) | 3 | 107 |
| Deferred losses on financial assets | 0 | 1,497 | - | 1,497 |
| Losses carried forward | 11,593 | (11,593) | - | - |
| | 14,013 | (9,153) | 3 | 4,863 |

| | Balance at 30 June 2022 \$000 | Charged to profit or loss \$000 | Charged directly to equity \$000 | Balance at 30 June 2023 \$000 |
|-------------------------------------|-------------------------------------|---------------------------------------|--|-------------------------------------|
| Deferred tax assets | | | | |
| Provisions | 3,216 | (2,644) | - | 572 |
| Transaction costs on acquisitions | 43 | 4 | - | 47 |
| Transaction costs on equity issue | 107 | (37) | 7 | 77 |
| Deferred losses on financial assets | 1,497 | 587 | - | 2,084 |
| | 4,863 | (2,090) | 7 | 2,780 |

The benefits of the above temporary differences and unused tax losses will only be realised if the conditions for deductibility set out in Note 1(c) occur. These amounts have no expiry date.

The Board has considered the deferred tax balances and is confident there will be sufficient future profits to utilise the deferred tax assets.

Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 13: Issued Capital

Movements in share capital are set out below:

| | No. | \$ |
|---|-------------|-------------|
| Opening balance at 1 July 2021 | 140,412,595 | 142,871,259 |
| Ordinary shares issued under company DRP September 2021 | 573,352 | 733,317 |
| Costs associated with capital raised | - | (5,741) |
| Closing balance at 30 June 2022 | 140,985,947 | 143,598,835 |
| Opening balance at 1 July 2022 | 140,985,947 | 143,598,835 |
| Ordinary shares issued under company DRP | 3,883,243 | 5,396,326 |
| Costs associated with capital raised | - | (16,616) |
| Closing balance at 30 June 2023 | 144,869,190 | 148,978,545 |

Capital Management

The Company's objectives for managing capital are as follows:

- to invest the capital in investments meeting the description, risk exposure and expected return of the investment strategy of the Company;
- to maximise the returns to shareholders while safe-guarding capital by investing in a portfolio in line with investment strategies of the Company; and
- to maintain sufficient liquidity to meet the ongoing expenses of the Company.

Note 14: Operating Segments

The Company has one operating segment: Internet-related Businesses in Australia. It earns revenue from gains on revaluation of financial assets held at fair value through profit or loss, interest income and other returns from investment. This operating segment is based on the internal reports that are reviewed and used by the directors in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The Company invests in securities recorded as financial assets and marketable securities held at fair value through profit or loss.

Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 15: Cash Flow Information

| | 30 June 2023 | 30 June 2022 |
|--|--------------|--------------|
| | \$000 | \$000 |
| Reconciliation of Cash Flow from Operation with Profit after Income Tax | | |
| Profit after income tax | 5,415 | 33,969 |
| Non-operating cash flows in profit: | | |
| Unrealised (gains)/losses on financial assets at fair value through profit or loss | (12,908) | 19,773 |
| Realised gains on financial assets received as cash flows from investing activities | (206) | (89,777) |
| Realised gains on financial assets receivable as cash flows from investing activities | - | (664) |
| Costs related to investment exits | 29 | 5,767 |
| FX gains relating to investment activities | (107) | - |
| Increase in trade and other receivables | (25) | (68) |
| (Decrease)/increase in trade and other payables | (8,685) | 3,008 |
| Derease in trade and other payables attributable to payment of costs on investing activities | - | 161 |
| (Decrease)/Increase in current tax | (32,677) | 30,391 |
| Increase/(Decrease) in deferred tax | 5,247 | (15,750) |
| Cash flow from operating activities | (43,917) | (13,190) |

Note 16: Contingent Liabilities

There were no contingent liabilities at 30 June 2022 and 30 June 2023.

Note 17: Events After the Reporting Period

On 3 July 2023 the sale of InstantScripts to API Industries was completed and Bailador received \$52m in cash proceeds for the realisation of its investment. Other than the completion of the sale of InstantScripts, no matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Note 18: Financial Risk Management

The Company's financial instruments consist mainly of cash (cash at bank) and financial assets designated at fair value through profit or loss, accounts receivable and payable. The total for each category of financial instrument, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements are as follows:

| | Note | 30 June 2023 | 30 June 2022 |
|---|------|--------------|--------------|
| | | \$000 | \$000 |
| Financial assets | | | |
| Cash and cash equivalents | 9 | 57,755 | 143,784 |
| Current marketable securities | 4 | 54,935 | 68,001 |
| Financial assets at fair value through profit or loss | 4 | 118,980 | 60,051 |
| Trade and other receivables | 10 | 2,580 | 934 |
| Total financial assets | | 234,250 | 272,770 |

Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 18: Financial Risk Management (continued)

Financial liabilities

| | | | |
|---|----|------------|---------------|
| Financial liabilities at amortised cost | 11 | 231 | 10,773 |
| Total financial liabilities | | 231 | 10,773 |

Financial Risk Management Policies

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (price risk), credit risk, and liquidity risk. The Company's risk management investment policies, approved by the directors of the responsible entity, aim to assist the Company in meeting its financial targets while minimising the potential adverse effects of these risks on the Company's financial performance.

Specific Financial Risk Exposures and Management

1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is currently exposed to the following risks as it presently holds financial instruments measured at fair value and short-term deposits:

i. Price Risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified in the statement of financial position as financial assets at fair value through profit or loss.

The Company seeks to manage and constrain market risk by diversification of the investment portfolio across multiple investments and through use of structural and contractual protections in its investments such as investing in preference shares or convertible notes, requiring minority protections in investment documentation and maintaining active directorships in its investment companies.

The portfolio is monitored and analysed by the Manager.

The Company's net equity exposure is set out in Note 4 of the financial statements.

Sensitivity Analysis

The following table illustrates sensitivities to the Company's exposures to changes in equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management consider to be reasonably possible.

| | Profit | Equity |
|--------------------------------------|--------|--------|
| 30 June 2023 | \$000 | \$000 |
| +/- 5% in gain on equity investments | 370 | 370 |

2. Credit Risk

Exposure to credit risk relating to financial assets arise from the potential non-performance by counterparties that could lead to a financial loss to the Company. The Company's objective in managing credit risk is to minimise the credit losses incurred mainly on trade and other receivables.

Credit risk is managed by the Company through maintaining procedures that ensure, to the extent possible, that counterparties to transactions are of sound credit worthiness. As the Company generally does not have trade receivables, receivables are usually in the order of prepayments for particular services. The Company ensures prepayments are only made where the counterparty is reputable and can be relied on to fulfil the service.

The Company's maximum credit risk exposure at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the statement of financial position. None of these assets are past due or considered to be impaired.

The cash and cash equivalents are all held with one of Australia's reputable financial institutions.

3. Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. As the Company's major cash outflows are the purchase of investments, the level of this is managed by the Manager. The Company also manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to operating, investing and financing activities;
- managing credit risk related to financial assets;
- maintaining a clear exit strategy on financial assets; and
- investing surplus cash only with major financial institutions.

Note 19: Fair Value Measurement

a. Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measure can be categorised into, as follows:

Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 19: Fair Value Measurement (continued)

- Level 1 Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques.

These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

b. Valuation Techniques

In the absence of an active market for an identical asset or liability, the Company selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Company are consistent with one or more of the following valuation approaches:

- *Market approach:* valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities including ongoing discussions with potential purchasers.
- *Income approach:* valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach:* valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The Australian Private Equity and Venture Capital Association (AVCAL) has prepared the International Private Equity and Venture Capital Guidelines (Valuation Guidelines). The Valuation Guidelines set out recommendations on the valuation of private equity investments

which are intended to represent current best practice. The directors have referred to the Valuation Guidelines in order to determine the “fair value” of the Company’s financial assets.

The “fair value” of financial assets is assumed to be the price that would be received for the financial asset in an orderly transaction between knowledgeable and willing but not anxious market participants acting at arm’s length given current market conditions at the relevant measurement date. Fair value for unquoted or illiquid investments is often estimated with reference to the potential realisation price for the investment or underlying business if it were to be realised or sold in an orderly transaction at the measurement date, regardless of whether an exit in the near future is anticipated and without reference to amounts received or paid in a distressed sale.

AVCAL suggests that one or more techniques should be adopted to calculate a private equity investment based on the valuer’s opinion of which method or methods are considered most appropriate given the nature, facts and circumstances of the particular investment. In considering the appropriateness of each technique, AVCAL suggests the economic substance of the investment should take priority over the strict legal form.

AVCAL provides guidance on a range of valuation methodologies that are commonly used to determine the value of private equity investments in the absence of an active market, including:

- price of recent investments;
- earnings multiples;
- revenue multiples;
- net asset values;
- discounted cash flows of the underlying assets;
- discounted cash flows of the investment; and
- industry valuation benchmarks.

The “price of recent investment” methodology refers to the price at which a significant amount of new investment into a company has been made which is used to estimate the value of other investments in the company, but only if the new investment is deemed to represent fair value and only for a limited period following the date of the investment. The methodology therefore requires an assessment at the measurement date of whether any changes or events during the limited period following the date of the recent investment have occurred that imply a change in the investment’s fair value.

A “revenue multiple” methodology is often used as the basis of valuation for early and development stage businesses. Under this method, the enterprise value is derived by multiplying the normalised historical or projected revenue of the business with a multiple or range of multiples. The multiple or range of multiples applied should be an appropriate and reasonable indication of the value of each company, given the company’s size, risk profile and growth prospects. The multiple or range of multiples is usually derived from market data observed for entities considered comparable to the companies being valued.

Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 19: Fair Value Measurement (continued)

c. Financial Instruments

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities:

| | 30 June 2023 | |
|-------------------------------|--------------------------|---------------------|
| | Carrying Amount \$000 | Fair Value \$000 |
| Financial assets: | | |
| Cash and cash equivalents | 57,755 | 57,755 |
| Current marketable securities | 54,935 | 54,935 |
| Financial assets | 118,980 | 118,980 |
| Trade and other receivables | 2,580 | 2,580 |
| | 234,250 | 234,250 |
| Financial liabilities: | | |
| Trade and other payables | 231 | 231 |
| | 231 | 231 |

d. Recurring and Non-recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements are categorised

Fair Value Measurements at 30 June 2023 Using:

| Description | Quoted Prices in Active Markets for Identical Assets \$000 (Level 1) | Significant Observable Inputs Other than Level 1 Inputs | Significant Unobservable Inputs |
|---|--|--|------------------------------------|
| | | \$000 (Level 2) | \$000 (Level 3) |
| Recurring fair value measurements | | | |
| Current marketable securities | 54,935 | - | - |
| Financial assets at fair value through profit or loss | - | 118,980 | - |
| | 54,935 | 118,980 | - |

Fair Value Measurements at 30 June 2022 Using:

| Description | Quoted Prices in Active Markets for Identical Assets \$000 (Level 1) | Significant Observable Inputs Other than Level 1 Inputs | Significant Unobservable Inputs |
|---|--|--|------------------------------------|
| | | \$000 (Level 2) | \$000 (Level 3) |
| Recurring fair value measurements | | | |
| Current marketable securities | 68,001 | - | - |
| Financial assets at fair value through profit or loss | - | 36,915 | 23,136 |
| | 68,001 | 36,915 | 23,136 |

Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 19: Fair Value Measurement (continued)

e. Valuation Techniques and Inputs Used to Determine Level 2 Fair Values

| | Fair Value at 30 June 2023 \$000 | Valuation Techniques | Range of Observable Inputs |
|-------------------|--|----------------------------------|----------------------------------|
| InstantScripts | 52,069 | Price of third-party transaction | Price of third-party transaction |
| Rezdy | 24,896 | Price of third-party transaction | Price of third-party transaction |
| Access Telehealth | 15,591 | Price of third-party transaction | Price of third-party transaction |
| Rosterfy | 9,764 | Price of third-party transaction | Price of third-party transaction |
| Nosto | 9,160 | Price of third-party transaction | Price of third-party transaction |
| Mosh | 7,500 | Price of third-party transaction | Price of third-party transaction |

f. Valuation Techniques and Inputs Used to Determine Level 3 Fair Values

As at 30 June 2023 the Company was not holding any investments at Level 3.

g. Sensitivity Information

The relationships between the significant unobservable inputs and the fair value are as follows:

| Inputs | Impact on Fair Value from Increase in Input | Impact on Fair Value from Decrease in Input |
|------------------|--|--|
| Revenue multiple | Increase | Decrease |

There were no significant interrelationships between unobservable inputs except as indicated above.

h. Reconciliation of Recurring Fair Value Measurement Amounts (Level 3)

| | Financial Assets \$000 |
|------------------------------|---------------------------|
| Opening balance 30 June 2022 | 23,136 |
| Transfers out to Level 2 | (23,136) |
| Closing balance 30 June 2023 | - |

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Notes to the Financial Statements for the Year Ended 30 June 2023 (continued)

Note 20: Related Party Transactions

Remuneration paid or payable to key management personnel (KMP) of the Company during the period are:

- Management Fees of \$4,353,389 (including \$106,180 unclaimable GST).
- Directors fees of \$224,000 (including \$14,000 unclaimable GST).
- Salary and director's fees paid to KMP by portfolio companies on arms-length terms of \$214,167.

Other related party transactions for the Company during the period are:

- Transaction selling agent fees paid to the Manager on arms-length terms as part of the Rezdy sale transaction \$300,000
- Reimbursement of expenses to the Manager of \$301,932.

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's KMP for the year ended 30 June 2023.

Note 21: Company Details

The principal place of business and registered office of the company is:

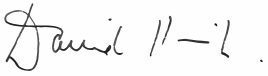
Suite 3, Level 20
20 Bond Street
Sydney NSW 2000

Directors' Declaration

In accordance with a resolution of the directors of Bailador Technology Investments Limited, the directors of the Company declare that:

1. The financial statements and notes, as set out on Pages 42-61, are in accordance with the *Corporations Act 2001*, and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - a. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the period ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The directors have been given the declarations required by s295A of the *Corporations Act 2001*.

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David Kirk
Director



Paul Wilson
Director

Dated this 16th day of August 2023

Independent Auditor's Report

HALL CHADWICK  (NSW)

BAILADOR TECHNOLOGY INVESTMENTS LIMITED
ABN 38 601 048 275

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BAILADOR TECHNOLOGY INVESTMENTS LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

Opinion

We have audited the financial report of Bailador Technology Investments Limited, which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of the Bailador Technology Investments Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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BAILADOR TECHNOLOGY INVESTMENTS LIMITED
ABN 38 601 048 275
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BAILADOR TECHNOLOGY INVESTMENTS LIMITED AND CONTROLLED ENTITIES

| KEY AUDIT MATTER | HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER |
|--|---|
| <p>Valuation of Investments \$173.9 million Refer to: Note 4 - Financial Assets & Marketable Securities Accounting policy Note 1(d) & Note 19 Fair Value Measurement</p> <p>The Company has been classified under AASB 2013-5 as an Investment Entity whose business purpose is to invest funds solely for returns via capital appreciation and/or investment returns.</p> <p>The entity is exempt from consolidating underlying investees it controls in accordance with AASB 10 Consolidated Financial Statements.</p> <p>As the Company has been classified as an Investment Entity, the portfolio investments have been accounted for at fair value through the profit or loss and shown as Financial Assets and Marketable Securities in the Statement of Financial Position.</p> <p>In determining year-end valuations, the board considers the annual valuation review by an independent valuation expert and the valuation report prepared by the Manager.</p> <p>Of these financial assets, \$54.9M were classified as 'level 1', \$119.0M were classified as 'level 2' and \$0 were classified as 'level 3' financial instruments in accordance with AASB 13 Fair Value Measurement.</p> <p>The measurement of level 1 marketable securities are based on quoted prices in active markets.</p> <p>The measurement of level 2 financial assets are based on inputs other than quoted prices that are observable for the asset, either directly or indirectly. The valuation of the level 2 financial instruments therefore requires a higher level of judgement.</p> <p>No financial assets were classified as 'level 3' in accordance with AASB 13 Fair Value Measurement. The measurements of level 3 financial assets are based on unobservable inputs for the asset. This requires a higher level of judgement.</p> <p>We have focussed on this area as a key audit matter due to the company being an investment entity; amounts involved being material; and the inherent judgement involved in determining the fair value of investments.</p> | <p>Our procedures included amongst others:</p> <ul style="list-style-type: none"> • Evaluated the manager's valuation approach to value the investments; cross checking with growth achieved and comparable market data. • Assessed the valuation range to the manager's valuation and implied revenue multiple. • Assessed the scope, expertise and the independence of external valuer engaged by the Company. • Evaluated the appropriateness of the valuation methodologies selected by the manager and separately by the external valuer to determine fair value of the investment to accepted market practices and our industry experience. • Independently assessed and compared the key inputs adopted by the manager and the external valuer to available market information relating to similar transactions. We involved our valuation specialist to assess that the market data used separately by the manager and the valuer is reasonable in comparison to a credible external source; the rationale for selected multiples; reference to market data; revenue growth rates and other business characteristics that are reasonable. • Assessed the adequacy of disclosure of level 1, level 2 and level 3 financial assets in accordance with AASB 13 Fair Value Measurement. |

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HALL CHADWICK  (NSW)

**BAILADOR TECHNOLOGY INVESTMENTS LIMITED
ABN 38 601 048 275
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BAILADOR TECHNOLOGY INVESTMENTS LIMITED AND CONTROLLED ENTITIES**

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australia Accounting Standards and the *Corporations Act 2001* and for such internal control as directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

HALL CHADWICK  (NSW)

**BAILADOR TECHNOLOGY INVESTMENTS LIMITED
ABN 38 601 048 275
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BAILADOR TECHNOLOGY INVESTMENTS LIMITED AND CONTROLLED ENTITIES**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and these are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

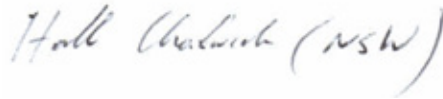
We have audited the remuneration report included in pages 38 to 40 of the directors' report for the year ended 30 June 2023.

In our opinion the remuneration report of Bailador Technology Investments Limited for the year ended 30 June 2023 complies with s 300A of the *Corporations Act 2001*.

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HALL CHADWICK  (NSW)**BAILADOR TECHNOLOGY INVESTMENTS LIMITED
ABN 38 601 048 275
AND CONTROLLED ENTITIES****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BAILADOR TECHNOLOGY INVESTMENTS LIMITED AND CONTROLLED ENTITIES****Responsibilities**

The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



Hall Chadwick (NSW)
Level 40, 2 Park Street
Sydney, NSW 2000



Stewart Thompson
Partner
Dated: 16 August 2023

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Shareholder Information

Additional Information

The additional information required by the Australian Stock Exchange Limited Listing Rules is set out below.

20 Largest Shareholders

Details of the 20 largest ordinary shareholders and their respective holdings as at 30 June 2023.

| Holder Name | Ordinary Shares Held | % of Issued Shares |
|---|----------------------|--------------------|
| Washington H Soul Pattinson and Company Limited | 22,050,000 | 15.22% |
| David Kirk | 10,274,340 | 7.09% |
| HSBC Custody Nominees (Australia) Limited | 8,828,678 | 6.09% |
| Citicorp Nominees Pty Limited | 7,298,023 | 5.04% |
| Paul Wilson | 4,939,661 | 3.41% |
| JP Morgan Nominees Australia Limited | 4,725,947 | 3.26% |
| Paul Lewis | 2,000,000 | 1.38% |
| Patagorang Pty Ltd | 1,975,422 | 1.36% |
| BNP Paribas Nominees Pty Ltd Hub24 Custodial Services Ltd <DRP A/C> | 1,645,635 | 1.14% |
| Mr Simon Fenwick | 1,310,331 | 0.90% |
| Mrs Virginia Hancock | 1,000,000 | 0.69% |
| Mr Paul Kendrick | 999,978 | 0.69% |
| BNP Paribas Nominees Pty Ltd <IB AU NOMS Retail Client DRP> | 938,447 | 0.65% |
| Mr Alan Draper and Mrs Evelyn Draper | 918,886 | 0.63% |
| Merrill Lynch (Australia) Nominees Pty Limited | 812,898 | 0.56% |
| Macareus Pty Ltd | 802,114 | 0.55% |
| Finance Associates Pty Ltd | 796,000 | 0.55% |
| Mr Sam Morgan | 776,057 | 0.54% |
| Hobson Wealth Custodians Ltd | 752,099 | 0.52% |
| Hibour Holdings Pty Ltd | 690,234 | 0.48% |
| Total | 73,534,750 | 50.76% |

Substantial Shareholders

The names of the substantial shareholders in the Company's register are:

| | Ordinary Shares |
|---|-----------------|
| Washington H Soul Pattinson and Company Limited | 22,050,000 |
| David Kirk | 10,274,340 |

Distribution of Shares

Analysis of numbers of equity security holders, by size of holding as at 30 June 2023.

| Holding | Numbers of Shareholders | Ordinary Shares Held | % of Issued Shares |
|------------------|-------------------------|----------------------|--------------------|
| 1 – 1,000 | 977 | 569,231 | 0.39% |
| 1,001 – 5,000 | 1,599 | 4,324,589 | 2.99% |
| 5,001 – 10,000 | 658 | 5,085,837 | 3.51% |
| 10,001 – 100,000 | 1,155 | 34,454,102 | 23.78% |
| 100,001 and over | 156 | 100,435,431 | 69.33% |
| | 4,545 | 144,869,190 | 100.00% |

The number of holders possessing less than a marketable parcel of the Company's ordinary shares, based on the closing market price as at 30 June 2023 is 327.

Other Stock Exchanges Listing

Quotation has been granted for all ordinary shares and options of the Company on all member exchanges of the ASX.

Restricted Securities

The Company has no restricted securities.

Unquoted Securities

There are no unquoted securities on issue by the Company.

Buy-Back

There is currently no on market buy-back.

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Registered Office

Bailador Technology Investments Limited
Suite 3, Level 20
20 Bond Street
Sydney NSW 2000
www.bailador.com.au

Directors

David Kirk (Chairman)
Paul Wilson
Andrew Bullock
Jolanta Masojada
Brodie Arnhold

Company Secretary

Helen Foley

Manager

Bailador Investment Management Pty Ltd
Suite 3, Level 20
20 Bond Street
Sydney NSW 2000
(AFSL 400811)

Share Registry

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
www.linkmarketservices.com.au

Auditor

Hall Chadwick
Level 40
2 Park Street
Sydney NSW 2000
www.hallchadwick.com.au

ASX

BTI





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