

Ellerston Capital



Ellerston JAADE Australian Private Assets Fund

Key Features



Fund	Ellerston JAADE Australian Private Assets Fund (Retail)
Fund Type	Australian Private Equity
Fund Structure	Open-ended unit trust
Minimum Investment	\$25,000
Target IRR	20% p.a.
Management Fee	1.75% Payable quarterly on invested capital.
Performance Fee	20% Net return above hurdle on per asset realisation. High watermark applies.
Hurdle Rate	8% net of fees
NAV Pricing	Quarterly
Redemptions	Quarterly. Maximum net withdrawal capped at 5% NAV.
Investment Horizon	5 - 7 years
Distributions	Reinvest / cash
Number of Investments*	Approximately 6 - 10 Investee companies, with the ability to increase where the Manager intends to realise a company or identifies a compelling investment opportunity
Duration	Generally, 2 - 4 year hold period per investment
Valuations	Quarterly, applied on a deal by deal basis.

**change from previous range of 6 – 8 Investee companies; PDS update released in Q1 2022.*

Founding Partners with complementary skillsets

A wealth of experience with strong access to deals



David Leslie

- Investment Director for Ellerston Ventures and Ellerston JAADE
- **Experience:** 20+ years experience, including 18 with Ellerston Capital



Jamie Odell

- Exec Chairman of Light & Wonder, former CEO and Managing Director of Aristocrat
- **Experience:** 40+ years operational experience



Toni Korsanos

- Exec Vice Chair of Light & Wonder, former CFO and Head of Corporate Strategy at Aristocrat
- **Experience:** 20+ years operational experience



Anthony Klok

- Investment Director for Ellerston Ventures and Ellerston JAADE, Chairman Frontier Digital Ventures, former CEO of Betfair Australia
- **Experience:** 35+ years



Jayne Shaw

- Exec Chair BCAL Diagnostics, former executive in the healthcare sector
- **Experience:** 30+ years healthcare operational experience



Justin Diddams

- Former CFO of Cover Genius, TMT Equity Analyst at Citibank
- **Experience:** 20+ years industry experience



Geronimo Cieza

- Former Analyst at The Rohatyn Group and Credit Analyst at JPMorgan
- **Experience:** 9+ years industry experience



Sam Rusnak

- Former Navy officer for 7 years and management consultant with EY
- **Experience:** 10+ years operational experience



Jason Martin

- Former GP for 20+ years in hospital and clinical settings
- **Experience:** 20+ years healthcare experience

JAADE Advisor Network

Access to a wide range of industry and strategic expertise



Independent Chairman – Investment Committee Geoff Kleemann

Investment Committee Chairman of Ellerston Ventures and Board director at Domain Group and Bid Energy, Former Board director of Crown Limited and Asciano, Former CFO of PBL, Crown and Woolworths.

Ellerston JAADE Advisor Panel

Peter Tonagh

Chairman of Optima Technology, Quantum and Honey Insurance, Deputy Chair of Australian Broadcasting Corp. Former CEO of Foxtel and News Corp Australia.

Carl Jackson

Former Chairman of MySale Group, an Australian online retail, e-Commerce and marketing platform that listed on the London Stock Exchange. Carl has 25+ years international retail operations experience.

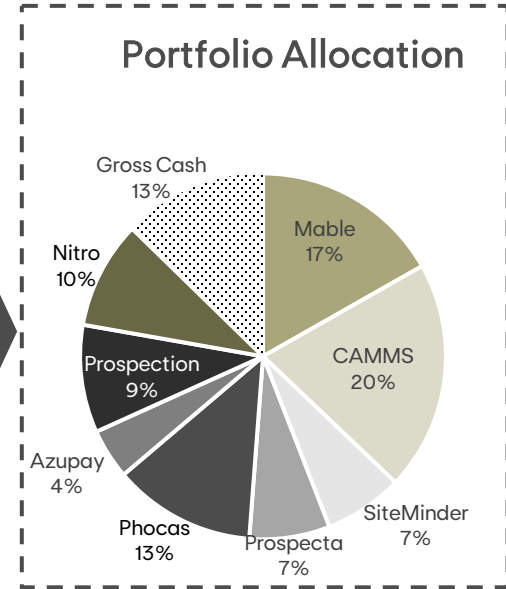
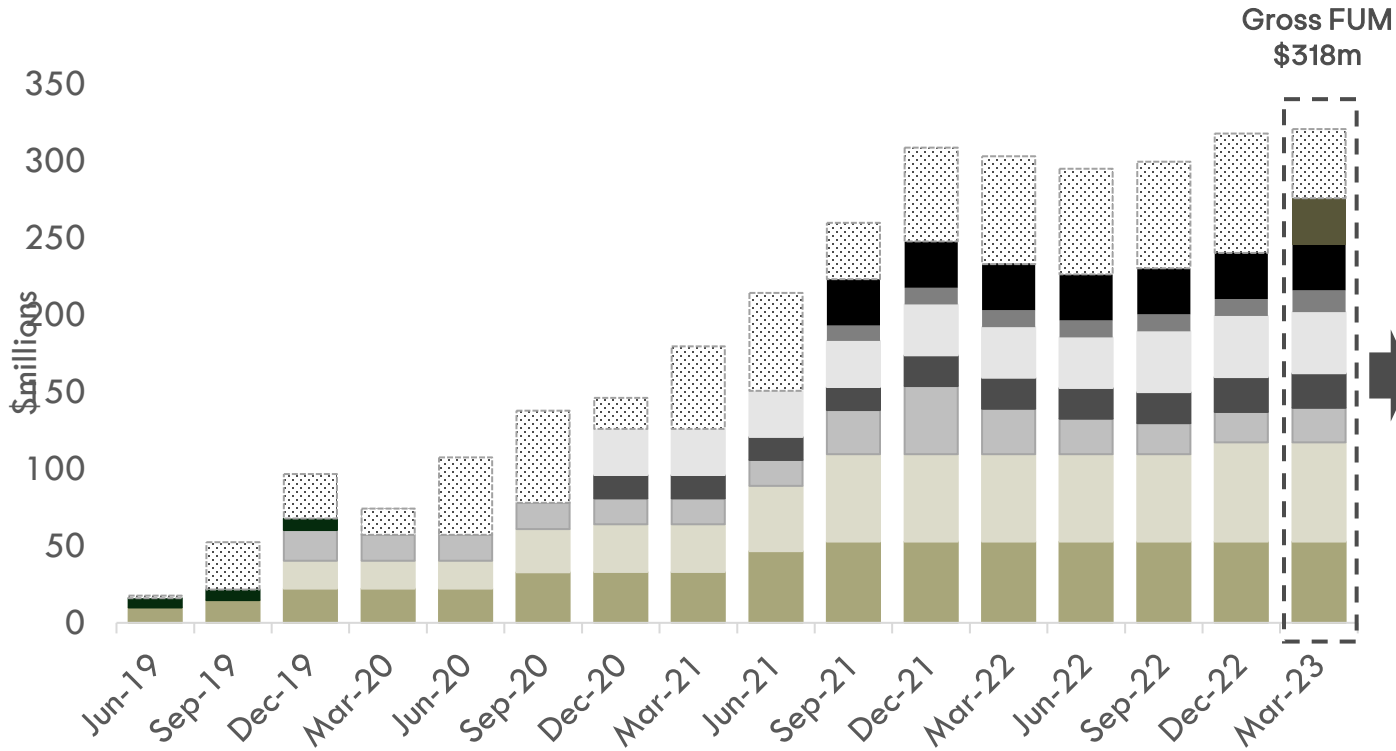
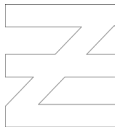
Naseema Sparks AM

Chairman of Homart Pharmaceuticals and OpenMarkets Group; Board Director of Australian Vintage Group and Knight Frank AU; AICD council member. Former Director at Blackmores and MD of M&C Saatchi.

Michael Malone

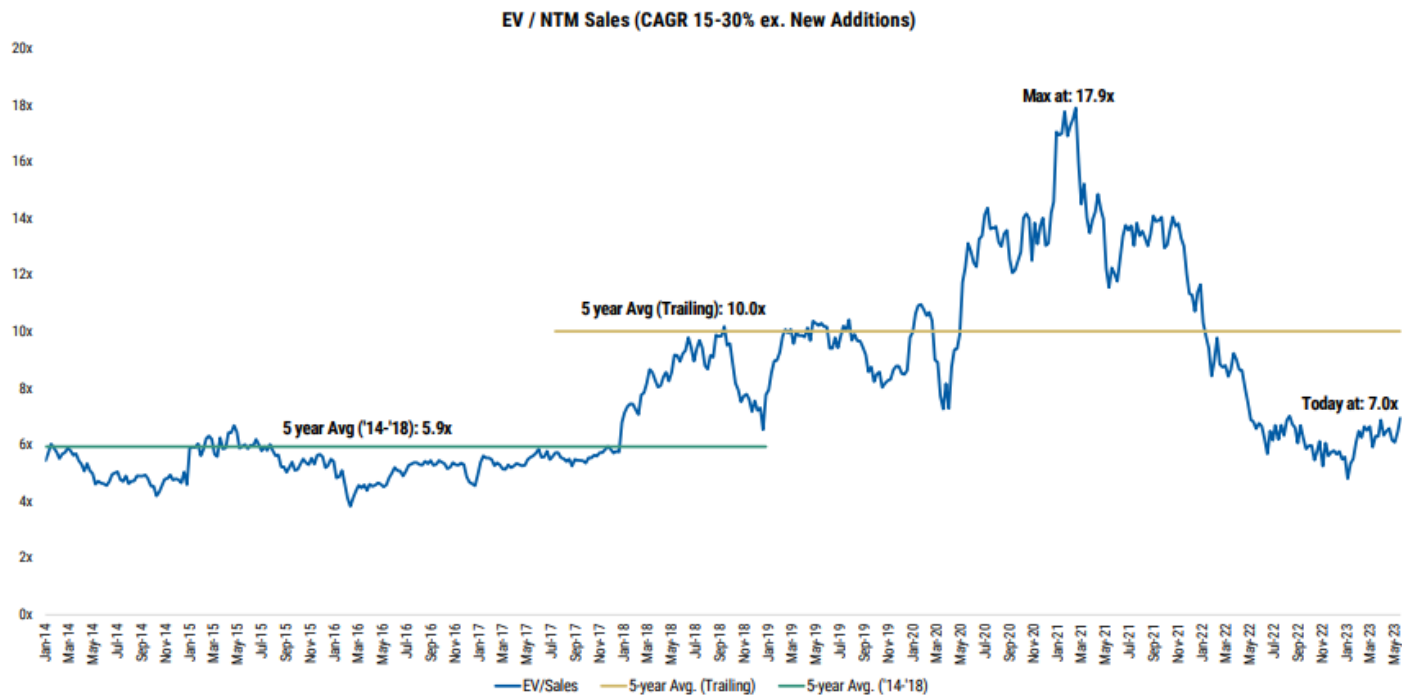
Founder and former CEO of iiNet. Current Director of NBN Co, Seven West Media, WiseTech Global and Healthengine. Former Chairman of Superloop and Director of DownUnder Geosolutions and Axicom.

Portfolio Summary - FUM



Source: Ellerston JAADE, FUM includes net inflows at the end of the Mar23 quarter

Global Technology Trading Multiples (last 10 years)

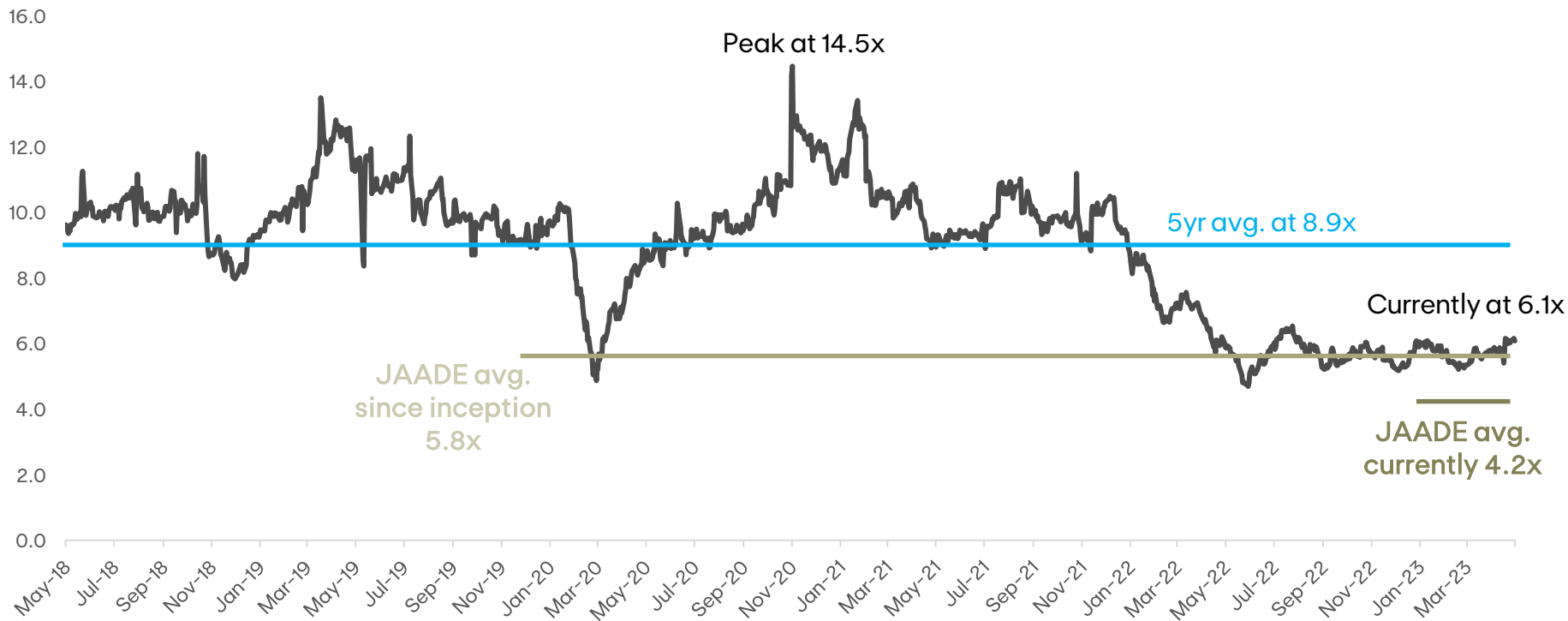


Source: Morgan Stanley Research, Refinitiv, Company data

Australian Technology Trading Multiples (last 5 years)



ASX SaaS Peers EV/NTM Revenue

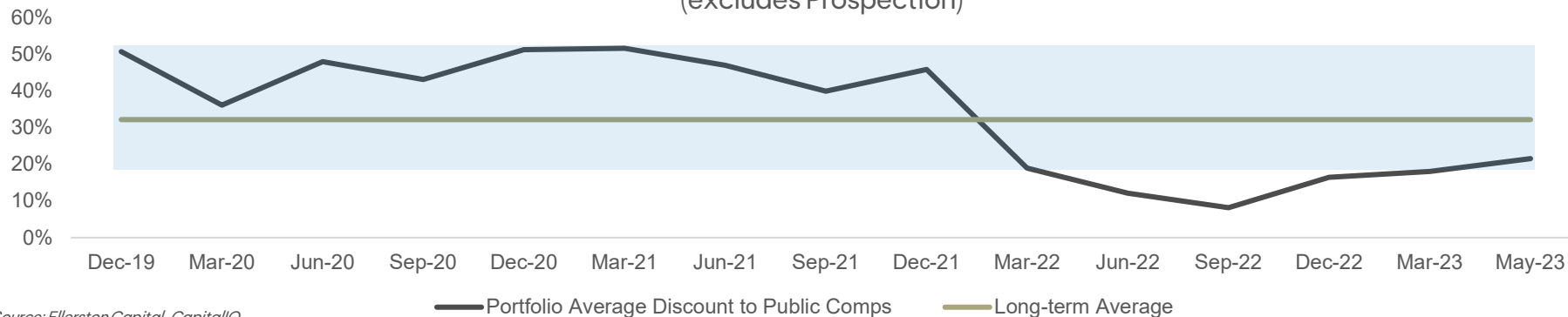


JAADE Portfolio Multiples



	Dec-19	Jun-20	Dec-20	Jun-21	Dec-21	Jun-22	Sep-22	Dec-22	Mar-23	May-23
Camms	2.6x	2.4x	3.3x	3.8x	3.9x	3.7x	3.5x	3.9x	3.8x	3.6x
Prospecta			2.7x	2.8x	3.4x	3.3x	3.2x	2.5x	2.3x	2.2x
Phocas			4.2x	3.7x	4.2x	4.0x	3.9x	3.7x	3.6x	3.6x
Prospection					5.3x	4.7x	4.4x	4.4x	4.5x	7.5x
SiteMinder	10.0x	8.7x	8.0x	7.4x	15.9x	8.2x	5.2x	5.1x	4.2x	4.6x
Azupay					8.8x	11.2x	12.0x	7.9x	5.3x	3.2x
Mable	8.5x	7.1x	7.0x	8.0x	7.8x	7.3x	6.8x	6.0x	5.9x	4.6x
Nitro										4.5x
Average	7.0x	6.1x	5.0x	5.2x	7.0x	6.1x	5.6x	4.8x	4.2x	4.2x
Median	8.5x	7.1x	4.2x	3.8x	5.3x	4.7x	4.4x	4.4x	4.2x	4.1x

Discount to Public Comps - EV/NTM Revenue
(excludes Prospection)



Performance Scenario – JAADE retail unit price



- Valuation scenario tests the revenue growth rates and implied multiple assumptions as at 30 June 2024 (12 months from today)

- JAADE portfolio current forward multiple is 4.2x EV/revenue, with an average revenue growth rate of 34% to date.

- Current JAADE unit price of the retail fund is \$1.53 at 31 March 2023


Scenario – Implied Unit Price

JAADE (Retail) unit price 1.53 at 31 March 2023

		Revenue Growth – 2yr CAGR (%)				
		20%	25%	30%	35%	40%
JAADE EV/NTM Revenue	3.5	1.60	1.66	1.72	1.75	1.79
	4.0	1.76	1.82	1.89	1.92	1.96
	4.5	1.92	1.99	2.03	2.10	2.14
	5.0	2.08	2.15	2.22	2.27	2.31
	5.5	2.23	2.31	2.39	2.44	2.49

Portfolio Composition










	Investment Date	Cost of Current Exposure (\$m)	Carrying Value at May-23 (\$m)	Gain (Loss) (\$m)	IRR % as of Mar 23	EV/NTM Multiple May-23	Growth Rate FY20/23e (3yr)
	Feb-19	14.6	52.9	+38.3	+42%	4.6x	68%
	Nov-19	25.1	64.4	+39.3	+40%	3.6x	31%
	Dec-19	27.6	22.4	-5.2	-13%	4.6x	25%
	Nov-20	22.5	22.6	+0.05	0.1%	2.2x	50%
	Dec-20	36.7	39.9	+3.2	+5%	3.6x	25%
	Aug-21	14.0	14.0	-	-	3.2x	314%
	Sep-21	30.0	30.0	-	-	7.5x	0%
	Apr-23	30.0	30.0	-	-	4.5x	37%
Invested Capital \$		200.5	276.2	+75.7		4.2x	34%
<i>Gross Cash</i> ¹			42.0				
Total Assets			318.2				

Note: 1) Including net inflows at quarter end. Average Growth rate excludes Azpuay (+314%). 2) Portfolio median 3yr CAGR



Liquidation Preference

Investment Date	Type of Shares	Carrying Value May-22 (\$m)	'Protected Capital'
 Feb-19	Ordinary	52.9	-
 Nov-19	Ordinary	64.4	-
 Dec-19	Ordinary	22.4	-
 Nov-20	Preference	22.6	22.6
 Dec-20	Preference	39.8	36.7
 Aug-21	Preference	14.0	14.0
 Sep-21	Preference	30.0	30.0
Invested Capital \$		246.1	103.4

- Our investments **Prospecta**, **Phocas**, **Azupay** and **Prospection** were done through preference shares.
- Preference shares have a 1.0x liquidation preference to be applied in respect of any liquidity event, including but not limited to an IPO, Trade Sale and/or insolvency, which protects our investment in a downside scenario.

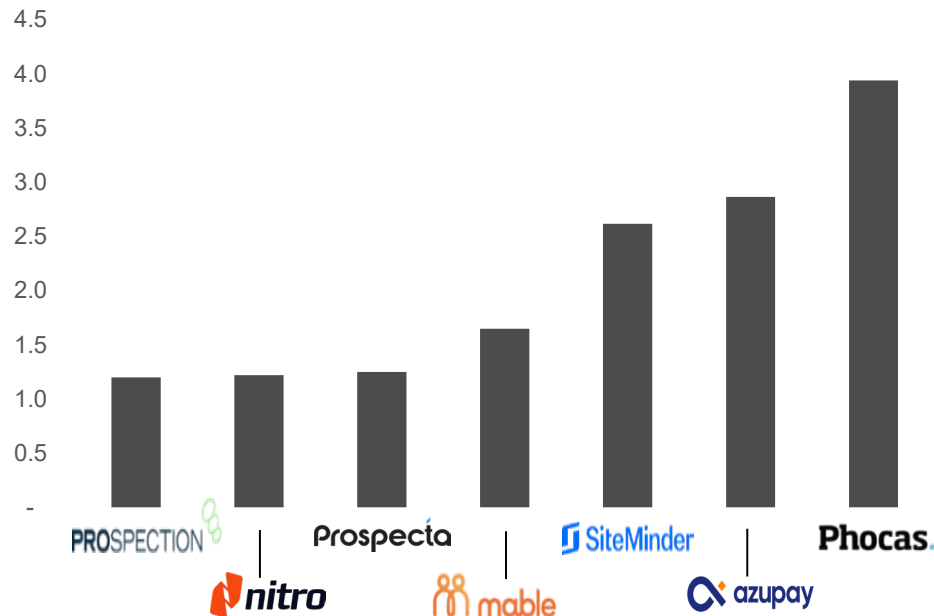
Note: In 2022, JAADE invested an additional \$6.7m into Phocas and \$2.5m into Prospecta via Convertible Notes that convert (other than in an IPO) to preference shares (with 1x liquidation preference). In 2023, JAADE invested an additional \$3m into Azupay via Convertible Notes that also convert to preference shares (with 1x liquidation preference).

Well-Capitalised Portfolio



Well Capitalised Portfolio with Average Cash Runway of 2.3 years
 (this assumes current cash burn and no business improvement)

Cash Runway (years)

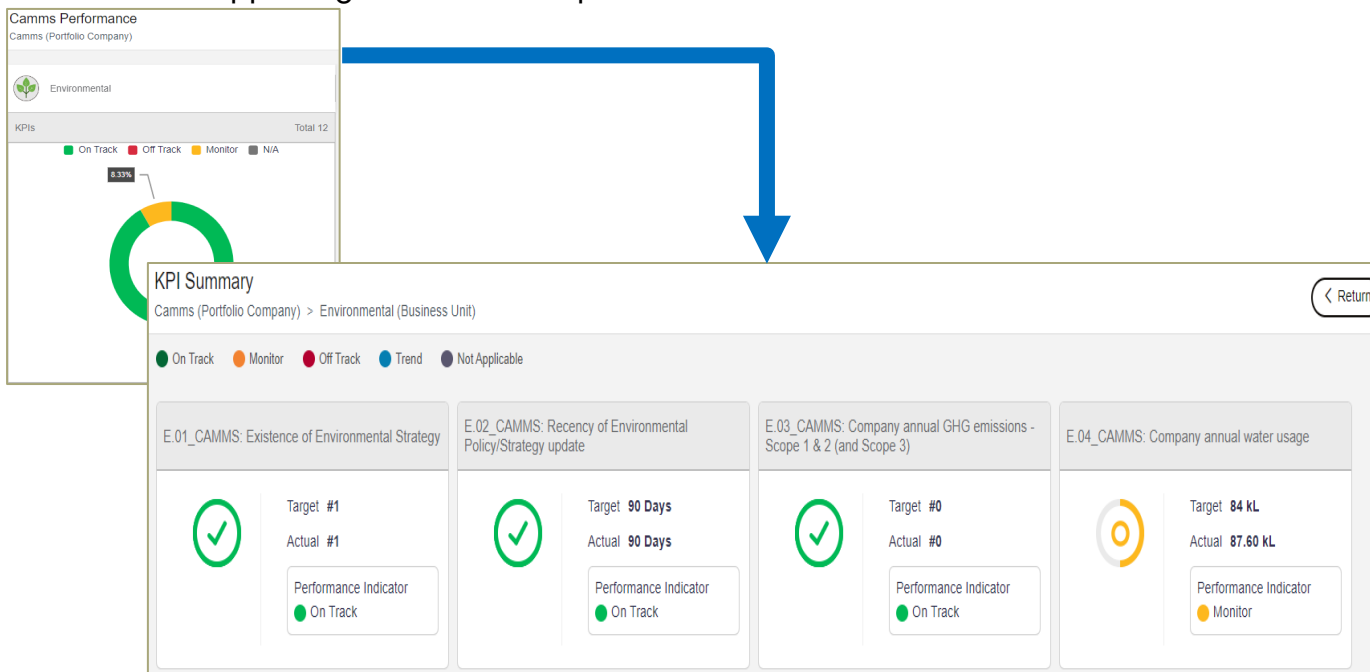


A\$m	Gross Cash Apr.23	Annual Burn	Runway (Years)	Runway Date
Prospection	20.5	(16.8)	1.2	May-24
Nitro	17.4	(14.5)	1.2	May-24
Prospecta	1.5	(0.8)	1.9	Jun-24
Mable	28.0	(14.5)	1.9	Oct-24
SiteMinder	68.0	(26.0)	2.6	Oct-25
Azupay	6.3	(2.2)	2.9	Jan-26
Phocas	21.0	(5.0)	4.2	Feb-27
Camms	2.0	N.A.	N.A.	N.A.

Managing ESG Risk and Opportunity Through Active Ownership



- Implemented Camms software to actively support and develop portfolio ESG maturity
- Tracks and reports ESG metrics; alignment with ESG frameworks / standards / structures
- Data-centric approach helping guide strategy and risk mitigation activities
- Ellerston supporting solution development before broader GTM execution



FY23 YTD Insights



No concerning revenue exposure to high ESG risk GICS sectors



All companies targeting higher female staff levels; current avg. ~33%



Zero Cyber / Information breaches



Companies spent \$350k+ on staff development

Investment Summary

Initial Investment	April 2023	Industry Focus	SMB / Enterprise
Securities	Managed Equity	Business Model	Software as a Service
Investment Amount	\$30.0m	Ownership	5%
Current Fair Value	\$30.0m	Market Cap	US\$372.7m
Current IRR %	-	Enterprise Value	US\$381.5m
		Board Representative	N/A

Trading Update

- **Accelerating Growth:** CY22A revenue grew +31% YoY with new customers now signing up through recurring subscription revenues, which contributed 76% to CY22 total revenue. ARR is currently growing at a 52% CAGR from CY19-22 and will continue to rise as the sales team and channel partners focus increasing subscription licences.
- **Cost-out Efficiencies:** Key element of the initial value creation plan involves removing inflated Opex from the cost base to accelerate the business's path to profitability and move the cost base closer to the benchmark of industry peers.
- **Outlook:** Our co-investor's target case forecasts a 21% revenue CAGR in CY27, which is realised from simplifying the current revenue book and lifting net revenue retention significantly.

Investment Thesis

- Nitro is a SaaS cloud technology platform offering a suite of products that aim to modernise and simplify workflows for SMB and enterprise businesses. Its core products are seeing continued growth in the SMB sector and steadily acquiring market share from market incumbents in the enterprise space.
- The Company has grown to be a leading workflow platform globally, with 13,000 business customers and over 3 million licensed users via a presence in 9 global hubs.
- Nitro's TAM across core products is estimated to be valued between **US\$18-25b**, with incumbents potentially neglecting a large portion of the market. Nitro's pricing and product features have it strongly placed to withstand macro-shocks versus discretionary business software.

(US\$m)	CY21a	CY22a	CY23e	CY24e	CY25e
Revenue	50.9	66.8	77.5	93.8	112.9
Revenue Growth %	27%	31%	16%	21%	20%
Gross Profit	46.9	59.9	69.5	84.2	101.3
Gross Margin	92%	90%	90%	90%	90%
EBITDA	(16.5)	(20.5)	(11.7)	4.0	17.6
EBITDA Margin	-32%	-31%	-15%	4%	16%
Free Cashflow	(11.2)	(11.8)	(8.3)	(2.9)	6.0
Cash at End of Year	47.8	28.0	17.0	14.0	20.0
EV/Sales (x)	7.5	5.7	4.9	4.1	3.4
EV/EBITDA (x)	n.a.	n.a.	n.a.	96.3	21.7

Investment Summary

Initial Investment	December 2019	Industry Focus	Travel / Accommodation
Securities	Ordinary Shares	Business Model	Software as a Service
Cost of Current Exposure	\$27.6m	Ownership	3% of issued capital
Current Fair Value*	\$20.3m	Market Cap	\$846.6m
		Enterprise Value	\$789.7m
Current IRR %	-2.9%	Board Representative	N/A

Trading Update

- **Accelerating Growth:** SiteMinder reported another robust quarter of growth that saw revenue increase +28.7% YoY to \$37.3m, and ARR increase +28.5% YoY to \$150.3m (\$6.8m added in the quarter). Results aided by further reopening of borders and an acceleration in net subscriber additions vs Q2. Underlying free cash flow of (\$8.5m) in the quarter which is the lowest in five quarters, represented 22.7% of revenue, favourably lower than 28.2% in H1FY23.
- **Cost-out Program:** Management communicated a cost-out program of c. \$13m, which would likely bring Free Cash Flow breakeven forward 1-2 quarters (now expected before Q4 FY24). Rule of 40 (Revenue Growth + FCF Margin) on positive trajectory and expected to continue improving.
- **Outlook:** Revenue guidance reiterated - still expect to hit pre-Covid growth rates (31% from FY17 to FY19). Cash flow breakeven by Q4FY24.

Source: Forecasts are Bloomberg consensus. Ellerston JAADE. Investment Summary as of latest valuation in Mar 2023. *Current shareholding multiplied by the closing price at 24 May 2023.

Investment Thesis

- SiteMinder (ASX: SDR) is a SaaS cloud technology platform for the hotel industry. Its core products connect hotels to booking websites and other distribution channels, enabling hotels to manage their inventory.
- The Company has grown to be the #1 hotel acquisition platform globally, with 35,000 subscription properties in +150 countries.
- There's one million potential customers in its target addressable market which represents a material opportunity to increase its penetration in the hotel industry.

(A\$m)	FY21a	FY22a	FY23e	FY24e	FY25e
Revenue	100.8	116.0	150.5	188.9	237.5
Revenue Growth %	-10%	15%	30%	25%	26%
Gross Profit	73.7	79.9	99.8	123.4	152.0
Gross Margin	73%	69%	66%	65%	64%
EBITDA	(13.8)	(22.4)	(21.7)	1.6	22.8
EBITDA Margin	-14%	-19%	-14%	1%	10%
Free Cashflow	-17.9	-31.3	-29.8	0.2	20.8
Cash at End of Year	31	88.7	49.8	50.0	70.8
EV/Sales (x)	7.8	6.8	5.2	4.2	3.3
EV/EBITDA (x)	n.a.	n.a.	n.a.	482.4	34.7

Investment Summary

Initial Investment	February 2019	Industry Focus	Disability / Aged Care
Securities	Ordinary Shares	Business Model	Marketplace Platform
Investment Amount	\$14.6m	Ownership	17% of issued capital
Current Fair Value	\$52.9m	Market Cap	\$416.7m
		Enterprise Value	\$390.1m
Current IRR %	39%	Board Representatives	David Leslie, Jayne Shaw

Trading Update

- Strong YTD performance:** Delivered Care continues to grow at over +50% and is on track to meet FY23 forecasts. A recent platform price increase delivered an incremental net revenue increase in April 2023 with revenue forecast to accelerate in FY24.
- HomeMade:** In 2021, Mable launched HomeMade, a self-management home care provider, which continues to perform strongly on the Mable platform, already run rating at A\$8m. HomeMade delivered care has been increasing rapidly since inception, with monthly revenue now over \$0.7m, growing at c. 3x per annum.
- Outlook:** As at the end of April, Mable is on track to meet budget. YoY growth in Delivered Care is tracking at +39% and revenue +53%. Next year, Mable is budgeting for acceleration to +44% and +76%, respectively. Cash flow breakeven budgeted for Mar2024 but could be as early as Nov2023.

Investment Thesis

- Leading marketplace platform for the "Home Care" sector, across both aged care and disability segments in Australia, connecting consumers with care workers.
- Structural growth driven by government policy and changes to consumer behaviour
- Mable has a first mover advantage, leveraging technology to disrupt the traditional delivery of services by care providers in Australia.
- Total addressable market for the platform is \$33bn (Disability Support \$25bn + Aged Home Care \$8bn), out of which Mable has less than 1% penetration

(A\$m)	FY21a	FY22a	FY23e	FY24e	FY25e
Revenue	22.1	28.8	50.2	80.8	120.0
Revenue Growth %	116%	30%	74%	61%	49%
Gross Profit	20.5	27.1	47.7	77.6	115.2
Gross Margin	93%	94%	95%	96%	96%
EBITDA	(3.1)	(23.9)	(20.3)	(0.7)	6.0
EBITDA Margin	-14%	-83%	-40%	-1%	5%
Free Cashflow	(3.5)	(23.9)	(16.0)	(2.0)	2.0
Cash at End of Year	10	51.9	21	25.4	30.8
EV/Sales (x)	17.7	13.5	7.8	4.8	3.3
EV/EBITDA (x)	n.a.	n.a.	n.a.	n.a.	65.0



Investment Summary

Initial Investment	November 2019	Industry Focus	Risk / Compliance / Planning
Securities	Ordinary Shares (1x liquidity pref.)	Business Model	Software as a Service
Investment Amount	\$25.1m	Ownership	42% of issued capital
Current Fair Value	\$64.5m	Market Cap Enterprise Value	\$163.0m \$161.1m
Current IRR %	36%	Board Representative	Jamie Odell, Anthony Klok

Trading Update

- **Q3FY23 Trading:** Trading was soft for Camms over the quarter with revenue marginally up, with the Company experiencing new software deals being pushed right due to an increased level of controls in enterprise procurement processes.
- **Q4FY23 and FY24 Outlook:** Camms is currently behind budget but is expected to make up lost ground based on historically strong Q4 trading and well-developed pipeline opportunities in overseas markets.
- **Healthy Balance Sheet:** Camms is cash flow breakeven and the outlook for profitability remains strong after the softer Q3 than expected. At the end of December 2022, we lifted our valuation of Camms by +13%.

Investment Thesis

- Provider of cloud products for the integrated risk and performance management, with over +50,000 users. Camms' products integrate with other enterprise platforms to enable data collection for reporting and decision making.
- Camms has a strong presence with government and corporate clients in Australia, is growing operations in the UK, and commenced selling in the US.
- ARR growth over the last 3 years over 40% and at 37% for FY22; R.40 in FY22 50%.
- Two products ranked in the Gartner magic quadrant and Forrester recognizes Camms in the "Strong Performer" category.
- Company is well positioned to deliver continued growth; expanding its partnerships with ERPs and exploiting its existing international footprint.

(A\$m)	FY21a	FY22a	FY23e	FY24e	FY25e
Revenue	19.6	25.7	33.5	41.9	52.3
Revenue Growth %	22%	31%	30%	25%	25%
Gross Profit	13.1	18.0	24.1	31.0	39.3
Gross Margin	67%	70%	72%	74%	75%
EBITDA	-0.9	-2.2	1.0	2.5	5.2
EBITDA Margin	-5%	-9%	3%	6%	10%
Free Cashflow	-0.4	0.3	0.5	1.5	3.1
Cash at End of Year	7.2	7.5	4.8	6.3	9.4
EV/Sales (x)	8.2	6.3	4.7	3.6	2.9
EV/EBITDA (x)	n.a.	n.a.	n.a.	57.5	28.8

Investment Summary

Initial Investment	November 2020	Industry Focus	Master Data Management
Securities	Preference Shares (1.0x Liquidity Pref.), Convertible Notes	Business Model	Enterprise Software
Investment Amount	\$22.5m	Ownership	41% of issued capital
Current Fair Value	\$22.6m	Market Cap	\$52.0m
Current IRR %	0.1%	Enterprise Value	\$51.0m
		Board Representatives	Anthony Klok and Justin Diddams

Trading Update

- **FY23 Trading:** Revenue performance YTD on track and close to budget (Prospecta has a calendar year end). Prospecta has improved sales performance over the last 12 months, shown better cost discipline, is burning less cash every month and looking to move through the break-even point 10-12 months.
- **Unit Economics Improving:** Recent wins and low churn have led to a +3% rise in Average Revenue per User (ARPU) and +17% QoQ appreciation of the LTV/CAC metric. Pipeline looks solid with a strong number of new and upsell opportunities, and the SAP relationship continuing to develop further which should see a greater number of leads globally.
- **Bridge to Breakeven:** In December, Ellerston JAADE invested the second tranche of \$1.5m in the \$2.5m convertible notes, with the founder and management team also participating in the raise. The funding should be sufficient to get the Company to cash flow breakeven.

Investment Thesis

- Prospecta is a leading provider of data governance and master data management for enterprise clients, via their Master Data Online (MDO) platform, which is certified by both SAP and Salesforce. MDO's modules cover master data governance, data quality, supply chain logistics, workforce safety and partner collaboration.
- Quality and control of data is gaining increasing importance amongst enterprises, particularly on the supply side.
- Prospecta is viewed as a domain expert in master data management, with a global addressable market and partners program to driver growth.

(A\$m)	CY21a	CY22a	CY23e	CY24e	CY25e
Revenue	7.1	9.7	16.1	23.5	33.0
Revenue Growth %	50%	37%	66%	46%	40%
Gross Profit	1.9	4.5	10.5	16.1	23.8
Gross Margin	26%	46%	65%	68%	72%
EBITDA	(8.8)	(6.6)	(2.7)	1.5	7.8
EBITDA Margin	-124%	-68%	-17%	6%	24%
Free Cashflow	(7.2)	(5.1)	(0.3)	4.6	11.8
Cash at End of Year	5.0	1.3	2.0	4.6	14.4
EV/Sales (x)	7.2	5.3	3.2	2.2	1.5
EV/EBITDA (x)	n.a.	n.a.	n.a.	34.0	6.5



Investment Summary

Initial Investment	December 2020	Industry Focus	Business / Data Analytics
Securities	Preference Shares (1.0x Liquidity Pref.)	Business Model	Software as a Service
Investment Amount	\$36.7m	Ownership	13% of issued capital
Current Fair Value	\$9	Market Cap	\$315.4m
Current IRR %	5%	Enterprise Value	\$296.3
		Board Representative	Toni Korsanos (Alternate: David Leslie)

Trading Update

- **Consistent Growth:** Phocas continues to report healthy numbers and metrics with +40% YoY revenue growth. The business is beating budget on total revenue growth and EBITDA, including cost management. ARR growth is on track with impressive contribution from the financial products suite in the two years on market.
- **Group Outlook:** Phocas is planning for steady Group revenue growth of >20% over the next 3 years, supported by their GTM efforts overseas and larger size of new customer deals. Strong growth in the past quarter has seen the Company accelerate towards cash flow breakeven versus previous forecasts.
- **Cash Balance:** Phocas raised \$17.5m via Convertible Notes in Sep22, out of which JAADE contributed \$6.7m. Phocas has a healthy balance sheet of \$20m in cash with management forecasting to be breakeven in FY24.

Investment Thesis

- Bootstrapped since its beginnings, Phocas is a leading cloud-based BI SaaS company specialising in business intelligence and data analytics for mid-market customers in the Distribution, Manufacturing and Retail sectors.
- The Company has a diverse customer base of +2,500 clients across countries and industries, with majority annual recurring subscription revenue
- Company is well positioned to deliver continued growth; via new products and features, expanding its partnerships with ERPs and exploiting its existing international footprint in the US and UK (+70% of revenue).

(A\$m)	FY21a	FY22a	FY23e	FY24e	FY25e
Revenue	46.7	56.5	68.2	82.0	98.6
Revenue Growth %	14%	21%	20%	20%	21%
Gross Profit	35.5	43.8	54.1	62.5	74.1
Gross Margin	76%	78%	79%	76%	75%
EBITDA	(0.7)	(9.1)	(4.6)	0.2	10.1
EBITDA Margin	-1%	-16%	-7%	0%	10%
Free Cashflow	-1.9	-8.2	-4.8	-1.2	6.3
Cash at End of Year	18.6	6.4	19.1	17.9	24.2
EV/Sales (x)	6.3	5.2	4.3	3.6	3.0
EV/EBITDA (x)	n.a.	n.a.	n.a.	1,504.2	29.2

Investment Summary

Initial Investment	August 2021	Industry Focus	Financial Services
Securities	Preference Shares (1.0x Liquidity Pref.)	Business Model	Real-Time Payments Platform
Investment Amount	\$14.0m	Ownership	36% of issued capital
Current Fair Value	\$14.0m	Market Cap	\$38.6m
Current IRR %	Investment at Cost	Enterprise Value	\$32.3m
		Board Representative	Justin Diddams

Trading Update

- Transaction volumes accelerating:** Azupay has seen continuous double digit MoM growth in transaction volumes since Nov22, growing to >1.5m/mth. Azupay is on track to exceed FY23 budget and make a strong start to FY24 with a strong pipeline of signed customers currently implementing and those.
- Healthy Pipeline:** Azupay is continuing to acquire new logos and complete further NPP product rollouts in existing customers. Azupay is yet to realise the potential upside from recently signed large logos in the banking and telecommunication sectors that may see some network effect generated.
- Convertible Notes:** The investment team invested a further \$3.0m in Azupay via Convertible Notes out of a total round of \$5.0m, including Tattarang and Founders/management. The funds will be used for hiring key growth roles and working capital that should see the Company through to cash flow breakeven in FY24.

Source: Azupay, Ellerston JAADE. Investment Summary as of latest valuation in Mar 2023.

Investment Thesis

- Azupay is an emerging provider of payment solutions that utilises the newly established New Payments Platform (NPP).
- The Company's solutions enable consumers, businesses and government agencies to make and receive instant and safe payments on a 24/7 basis from a bank account without the need for a debit or credit card.
- Azupay is the first organisation in Australia to offer consumer-to-business payments via the NPP and the only player specialising in NPP-powered payment methods.
- In the YTD May 22, over 1bn transactions had taken place on the NPP, worth more than \$3tn

(A\$m)	FY21a	FY22a	FY23e	FY24e	FY25e
Revenue	0.1	0.2	2.5	8.5	18.0
Revenue Growth %	-	92%	987%	240%	112%
Gross Profit	0.1	0.2	1.8	7.2	17.6
Gross Margin	92%	74%	73%	85%	98%
EBITDA	(3.2)	(6.1)	(4.8)	(1.6)	3.2
EBITDA Margin	-2683%	-2665%	-192%	-19%	18%
Free Cashflow	(2.8)	(6.4)	(5.2)	1.5	3.2
Cash at End of Year	1.2	4.8	4.6	6.3	10.7
EV/Sales (x)	269.2	140.4	12.9	3.8	1.8
EV/EBITDA (x)	n.a.	n.a.	n.a.	n.a.	10.1



Investment Summary

Initial Investment	September 2021	Industry Focus	Healthcare
Securities	Preference Shares (1.0x Liquidity Pref.)	Business Model	Software as a Service
Investment Amount	\$30.0m	Ownership	18% of issued capital
Current Fair Value	\$30.0m	Market Cap	\$115.3m
		Enterprise Value	\$89.3m
Current IRR %	0%	Board Representative	Jayne Shaw

Trading Update

- **New CEO, Daniel West:** Prospecion's new CEO, Daniel West joined the Company earlier this month. Extensive experience in SaaS businesses overseas, and joining from MYOB where he led the Company's transition to a SaaS model. New CFO Nathan Chadwick joined prior month, ex-CFO at Airtasker.
- **International Expansion:** The company has recently signed 3 deals in the US with Pharma customers. In Japan, sales activity is picking up with positive inroads made in the previous quarter and Founder Eric Chung now stepping into a GM of Japan role to drive success in this new market.
- **Core revenue growth:** In FY23, total revenue is expected to be down, in part due to the reduced projects from a major customer and also given the strategy to reduce focus on services and project revenue. On the positive side, subscription revenue is expected to increase by c. \$1m (+13% YoY).

Source: Prospecion, Ellerston JAADE. Investment Summary as of latest valuation in Mar 2023.

Investment Thesis

- Prospecion provides Real World Evidence (RWE) empowering pharma companies and health care providers to make data-driven decisions.
- The Company uses complex health and pharma data, combined with its proprietary algorithms, across various diseases and treatments to improve clinical outcomes.
- Global pharma companies are increasingly turning to RWE to drive clinical and commercial use cases, while improving time and cost efficiencies
- Prospecion serves 17 of the Top 20 Global Pharma companies, and its foundation clients have been pushing the business into new international markets.

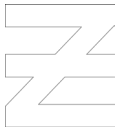
(A\$m)	FY21a	FY22a	FY23e	FY24e	FY25e
Revenue	12.9	18.1	11.9		
Revenue Growth %	39%	41%	-34%		
Gross Profit	6.3	9.1	4.8		
Gross Margin	49%	50%	40%		
EBITDA	(4.9)	(10.6)	(24.7)		
EBITDA Margin	-38%	-59%	-208%		
Free Cashflow	(7.0)	(12.9)	(26.1)		
Cash at End of Year	3.1	44.4	17.0		
EV/Sales (x)	6.9	4.9	7.5		
EV/EBITDA (x)	n.a.	n.a.	n.a.		

Pipeline – Current Opportunities



	Company A	Company B
Sector	HealthCare	Health/Sports Tech
Fwd Revenue	\$26m	\$20m
% Growth	+30%	+60%
Geographies	ANZ	US/EU/ANZ
Timing	Aug-23	Aug-23
Capital Raising	\$20m+	\$20m+
Status	Qualified Lead	Qualified Lead

Pipeline – From Farming to Hunting



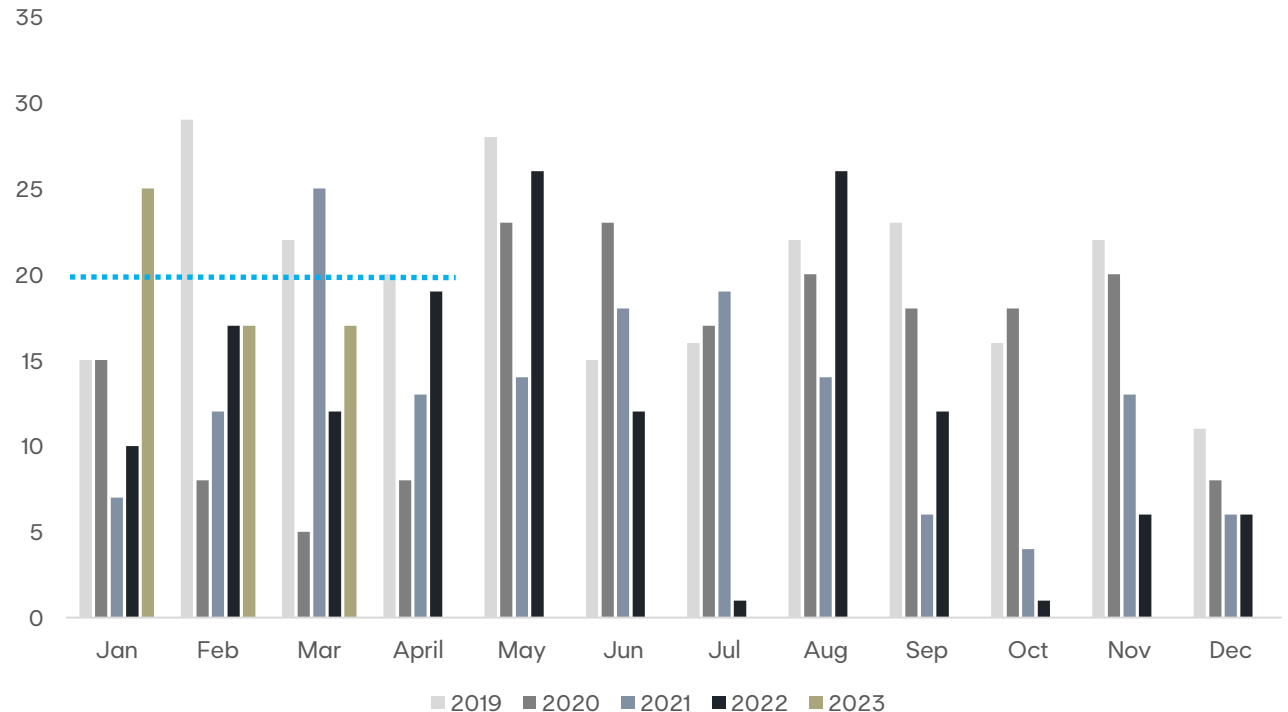
OBSERVATIONS

- Number of inbound deals dropped (-18%) in 2022
- More concentration of deal flow around end of Q1 and Q3
- Averaging 20 new leads per month in Q3FY23, higher than recent years

ACTIONS

- Increased outbound engagement with companies
- New cloud CRM (Affinity) to track activity levels and contact points
- Revised Incentive structures for the team

New Leads per Month



Exited Investments



Partial



Exit in Full



Exit Event	Vehicle	Exit Date	Invested Capital	Exit Valuation	Gross IRR	Money Multiplier
IPO	JAADE	Nov-21	\$7.4m	\$12.6m	50%	1.7x
IPO	JAADE	Dec-19	\$8.2m	\$20.8m	669%	2.5x
IPO*	Ellerston Capital	Nov-20	\$7.6m	\$29.9m	27%	3.9x
Trade Sale	Ellerston Ventures	Jul-19	\$4.0m	\$8.0m	38%	2.0x
Reverse Merger [^]	Ellerston Capital	Dec-20	\$15.5m	\$19.6m	11%	1.4x

Source: Ellerston Capital, *Exit valuation is 50% at IPO price,
[^] Reverse merger with thedocyard (TDY.ASX). # Exit valuation is 1.1m shares sold at \$7.35 on 10 Nov 2021.

Ellerston JAADE Fund Performance

As at 31 March 2023



Retail Fund (inception 30 September 2019)

Performance	3 Months	6 Months	1 Year	2 Years (p.a.)	3 Years (p.a.)	Since Inception (p.a.)
Net return	0.73%	2.69%	-0.14%	11.39%	12.56%	17.57%

Source: Ellerston JAADE

Retail Fund Structure = Retail Fund owns units in the Wholesale Fund. Net Return = Change in Net Asset value plus gross cash distributions to investors, assuming all distributions are reinvested.

Annualised return based on launch dates – Retail Fund PDS issued on 5 July 2019



Appendix

What we look for...



Investment Criteria

- Minimum \$10m of revenue
- Large addressable markets
- High compounding growth
20%+
- Opportunities to drive
strategic value
- Clear path to exit

Focus Areas

Business models

- Market places
- SaaS
- FinTech

Industry Focus

- Healthcare
- Risk/Compliance
- Payments
- Travel/Accommodation








Portfolio



(Partially
Exited)



Investment Scorecard

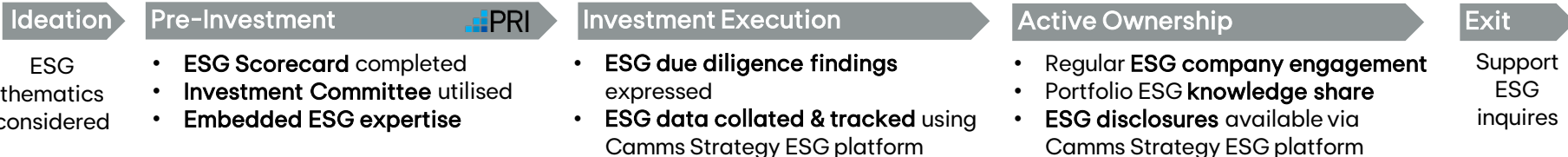
A\$ m	Weak	Good	Strong	 mable	 Camms.	 SiteMinder	 Prospectia	 Phocas <small>Get data. Get results.</small>	 azupay	 PROSPECTION
Current Revenue	<\$20m	\$20-40m	>\$40m	>\$40m	\$20-40m	>\$40m	<\$20m	>\$40m	<\$20m	<\$20m
Revenue CAGR (3yr)	<30%	30-50%	>50%	>50%	30-50%	<30%	>50%	<30%	>50%	<30%
Recurring Revenue %	<40%	40-70%	>70%	>70%	>70%	>70%	>70%	>70%	>70%	40-70%
Gross Margin	<70%	70-90%	>90%	>90%	70-90%	70-90%	<70%	70-90%	70-90%	<70%
Rule of 40%	<20%	20-40%	>40%	>40%	20-40%	<20%	20-40%	20-40%	20-40%	<20%
LTV/CAC	<3x	3-5x	>5x	>5x	>5x	>5x	3-5x	>5x	>5x	<3x
Total Addressable Market	<\$500m	\$500m-\$1bn	>\$1bn	>\$1bn	>\$1bn	>\$1bn	>\$1bn	>\$1bn	>\$1bn	>\$1bn
ESG Ranking	-ve	Neutral	+ve	Positive	Positive	Positive	Positive	Positive	Positive	Positive
Customer Concentration	>20%	5-20%	<5%	<5%	<5%	<5%	<5%	<5%	<5%	>20%
Operational Cash Flow	>\$2m outflow	Breakeven	>\$2m inflow	>\$2m outflow	>\$2m inflow	>\$2m outflow	>\$2m outflow	>\$2m outflow	>\$2m outflow	>\$2m outflow
New ARR / Burn	<0.5x	0.5 - 1.5x	>1.5x	>1.5x	>1.5x	<0.5x	<0.5x	>1.5x	<0.5x	<0.5x
Customer Retention	<85%	85-95%	>95%	<85%	85-95%	85-95%	>95%	>95%	>95%	85-95%
Free Cash Flow Margin	<(30%)	(30%)-0%	>0%	(30%)-0%	10%	(30%)-0%	<(30%)	(30%)-0%	<(30%)	<(30%)
Average	1	2	3	2.9	2.6	2.2	2.1	2.4	2.2	1.5

Integrating ESG in our Investment Process



ESG factors are important to the selection, long-term performance and risk profile of our investments

ESG Integration in JAADE Investment Process



ESG Facilitation Case Study



Ellerston has helped Camms scale its ESG data product, utilising it in each portfolio company to help build capability and capacity of ESG data collection and performance. This will enhance JAADE's ESG approach as the data points collected will help guide both strategy and risk mitigation activities.

ESG in Our Portfolio



- + Supporting access to support vulnerable persons
- + Facilitating an inclusive and equitable society
- + Personnel safety mechanism in place for workers and clients



- + Enabling improved health outcomes of patients
- + Increases efficiency in healthcare process
- + Sharing insights and knowledge to market



- + B Corp status – certified ESG focus within company, including ESG performance, accountability and transparency
- + Significant community engagement program



Australian Technology Trading Constituents



ASX SaaS Peers EV/NTM Revenue



Index Constituents

1. Hipages Group Holdings
2. SiteMinder Limited
3. ELMO Software Limited
4. ReadyTech Holdings Limited
5. WiseTech Global Limited
6. Ansarada Group Limited
7. Bigtincan Holdings Limited
8. Pointerra Limited
9. Mach7 Technologies
10. Dropsuite Limited
11. Infomedia Ltd
12. FINEOS Corporation Holdings
13. Altium Limited (ASX:ALU)
14. Dubber Corporation Limited
15. Objective Corporation Limited
16. Technology One Limited
17. Volpara Health Technologies
18. Alcidion Group Limited
19. Dropsuite Limited

Valuation Framework

Transparent and consistent valuation approach to fair value at each measurement date



JAADE Policies

Valuation Process

- Any potential indicators of significant change to Fair Value are assessed at each quarterly measurement date
- Detailed reports on the valuation methodologies are maintained and updated by the team and reviewed by the Investment Committee

Determining Fair Value

- Fair Value is adjusted for an externally validated transaction price completed in the quarter
- In the absence of a recent transaction and the company is impacted by a "significant" change then Fair Value is determined using a combination of a multiples approach (based on M&A and public market multiples of similar assets) and a DCF based valuation

Considerations

- Fair Value is adjusted to reflect any changes in the underlying ownership of the asset, including preferential terms and/or rights

AVCAL (IPEV) Guidelines

Fair Value

- Defined as the price that would be received to sell an asset in an Orderly Transaction between Market Participants at the Measurement Date, regardless of whether the Underlying Business is prepared for sale or whether its shareholders intend to sell in the near future.

Changes to Fair value

- Adjustment to fair value is required if the Valuer concludes there's a "significant change" to the company structure, financial forecasts, market factors, the economy and/or external factors (such as legal matters)

Fair Value Calculation

- FV should be determined using a combination of the following; Market Approach using Price of Recent Investment, Multiples, Industry Valuation Benchmarks, Available Market Prices, the Income Approach using Discounted Cash Flows and the Replacement Cost Approach using Net Assets

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Ellerston Capital

Sydney
Level 11
179 Elizabeth Street Sydney,
NSW 2000

info@ellerstoncapital.com
+612 9021 7701
