



Annual General Meeting

23 October 2018

Bailador Technology Investments Limited (ASX:BTI)

David Kirk

Co-Founder & Managing Partner

A low-angle, upward-looking photograph of several tall skyscrapers reaching towards a clear blue sky. An airplane is visible in the upper center of the frame, flying between the buildings. The perspective creates a sense of height and urban density.

Bailador provides investors with exposure to **expansion-stage technology** companies with **global addressable markets** and a **high growth** trajectory

Investors get access through an ASX traded share (BTI:ASX)

Overall portfolio value grew moderately for the 2018 year

Valuation uplifts for five investments due to strong performance were held back by a write down of one investment

2018 Revaluations			
	\$m	%	
SiteMinder	15.4	38%	Continues to grow quality customer base with over 30,000 customers worldwide
Straker ¹	2.5	28%	Third party pre-IPO round
DocsCorp	1.7	23%	Has grown to more than 3,000 customers in 32 countries and over 450,000 licences
Lendi	2.3	32%	Continued market-leading growth with over \$5bn in home loans settled
Instaclustr ¹	4.8	106%	Revenue growth ~100%
Viostream	(18.2)	(71%)	Profitable but slower growth and lower valuation multiple applied
Net gain	\$8.4m		

¹Post 30 June 2018 there have been two further valuation uplifts:

- BTI's investment in Straker Translations has been increased by a further \$1.3m (11%) reflecting the price of its initial public offering on the ASX
- BTI's investment in Instaclustr has been increased by a further \$5.3m (58%), reflecting the valuation implied by a US\$15.7m investment in Instaclustr led by US-based Level Equity

Financial Performance

For the year ended 30 June 2018

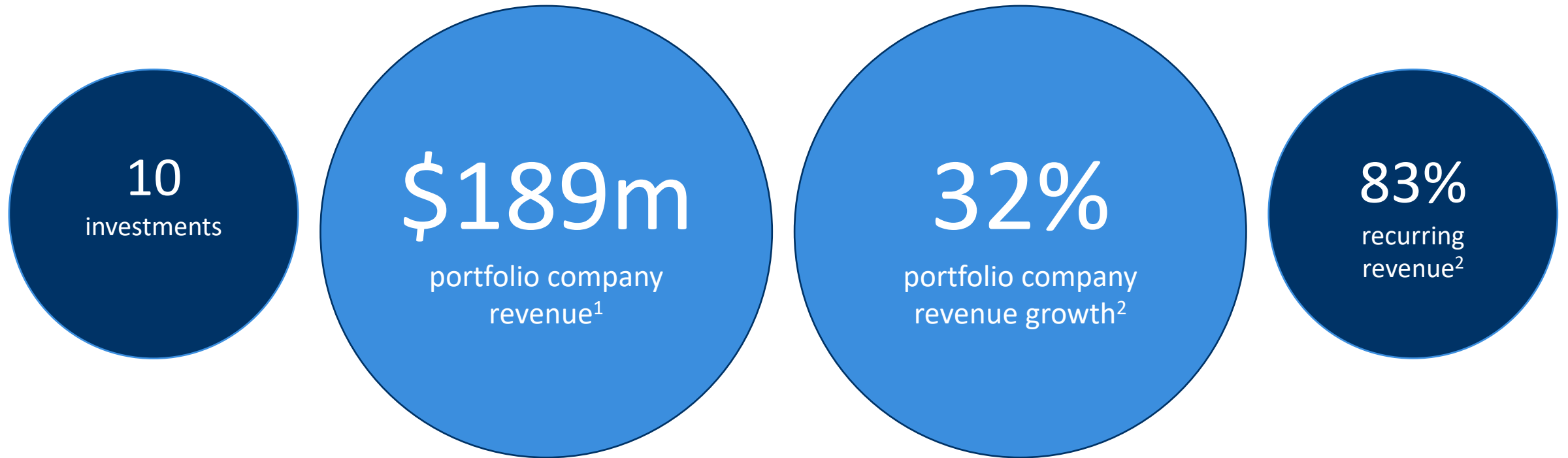
	30 June 2018 \$000	
Change in value of portfolio assets	8,384	● 5 investments marked up 1 investment marked down
Interest income	115	
Total investment growth	8,499	
Management fee	2,285	
Independent valuations	111	● Continued investment in independent valuations
Directors' fees	192	● No increase in Directors' Fees
Other operating expenses	688	
Total costs	3,276	● Total costs 2017 \$3,272 – flat year on year
Profit before tax	5,223	
Tax	1,570	
Profit after tax	3,654	

Change in Net Tangible Assets

\$m	30 June 2017	Additional Investment	Valuation Movement	30 June 2018	Net Movement
SiteMinder	40.5	-	15.4	55.9	15.4
Stackla	12.6	-	-	12.6	-
Straker	8.7	-	2.5	11.2	2.5
Lendi	7.2	-	2.3	9.5	2.3
Instaclustr	4.5	-	4.8	9.3	4.8
DocsCorp	7.5	-	1.7	9.2	1.7
SMI	7.4	-	-	7.4	-
Viostream	23.0	2.6	(18.2)	7.4	(15.6)
Rezdy	4.5	-	-	4.5	-
Brosa	-	3.0	-	3.0	3.0
Cash/Other	12.4	-	-	3.7	(8.7)
NTA (pre-tax)	128.3	5.6	8.4	133.5	5.2

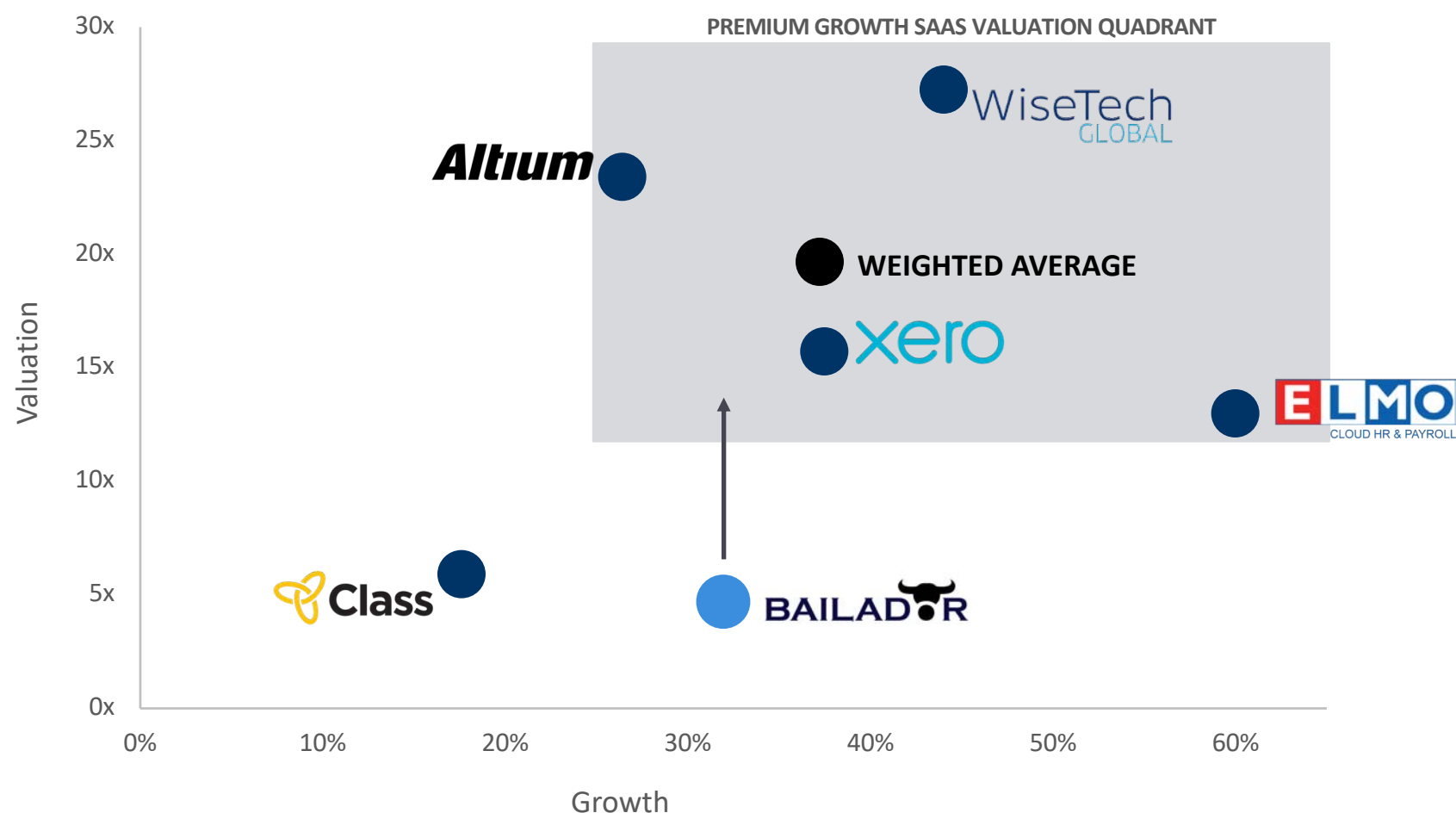
- Investment in Viostream during the year gives BTI full control over exit management and timing
- Brosa was the only new portfolio company added in 2018

Bailador has a portfolio of established, fast growth technology companies



ASX listed SaaS companies with comparable growth rates to BTI indicate tremendous valuation upside

Bailador has a high growth portfolio dominated by SaaS business models



Note: EV/LTM Revenue Multiples and LTM Revenue growth for ASX SaaS companies based on Capital IQ Data as of 6th September 2018. EV/LTM Multiple and LTM Revenue growth for Bailador based on data as of 30 June 2018 and a share price of \$0.85. Bailador revenue growth weighted based on carrying value in the portfolio.

Bailador has clear short and medium term value drivers

ACTIONS

- ✓ We expect to see further valuation uplifts across a number of portfolio companies in FY19
- ✓ We anticipate that there will be cash realisations from one or more investment positions in the BTI portfolio in FY19
- ✓ We are beginning a more active program of investor communications to inform the market of the opportunity to invest in BTI

IMPACT

- ✓ Targeting a near term reduction in the discount to NTA (upside of 15%+)
- ✓ Realisations above carrying value provide NTA uplift
- ✓ Ongoing growth in portfolio companies of 30%+ pa¹ provides continued NTA and share price growth

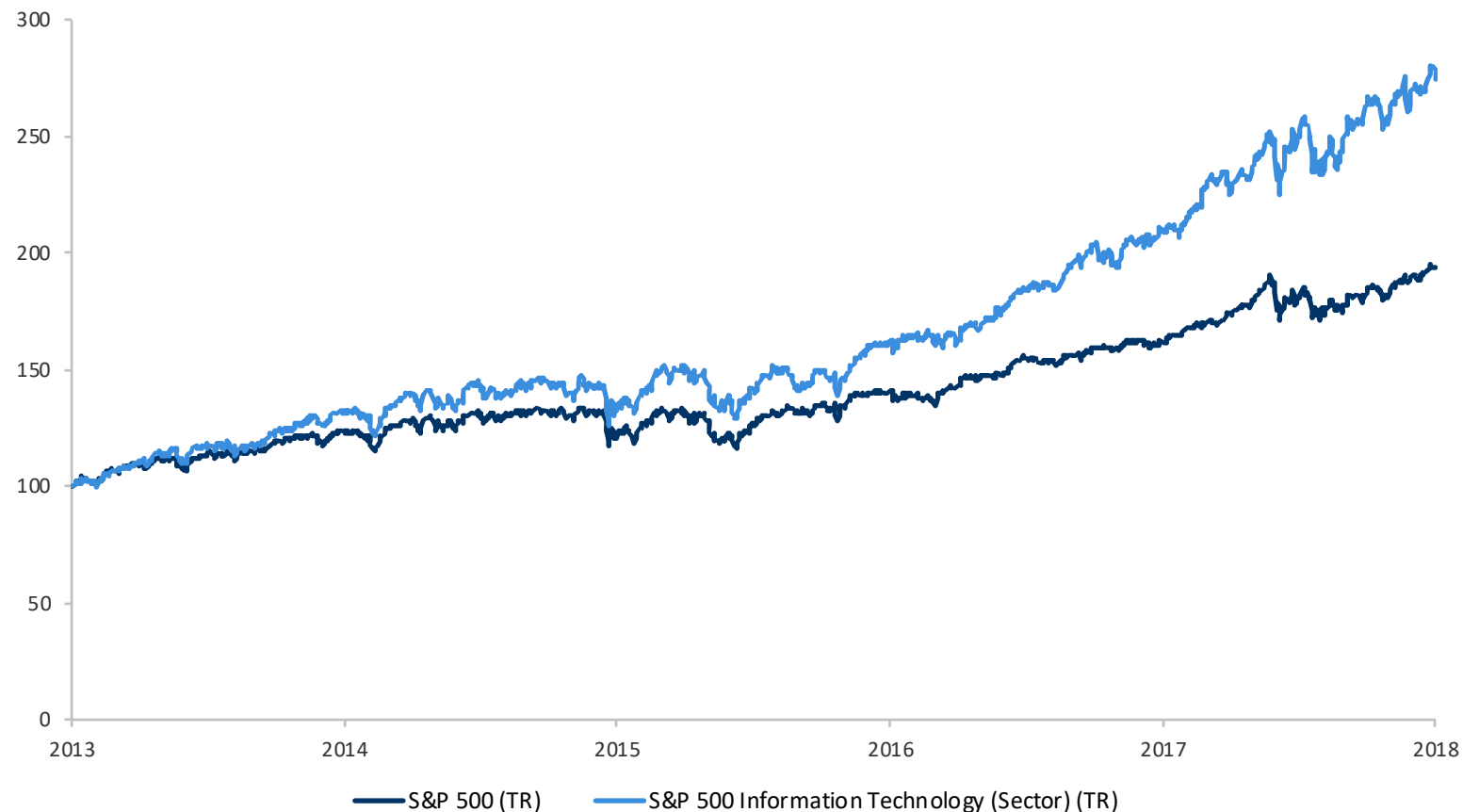
Paul Wilson

Co-Founder & Managing Partner

Technology is transforming every industry

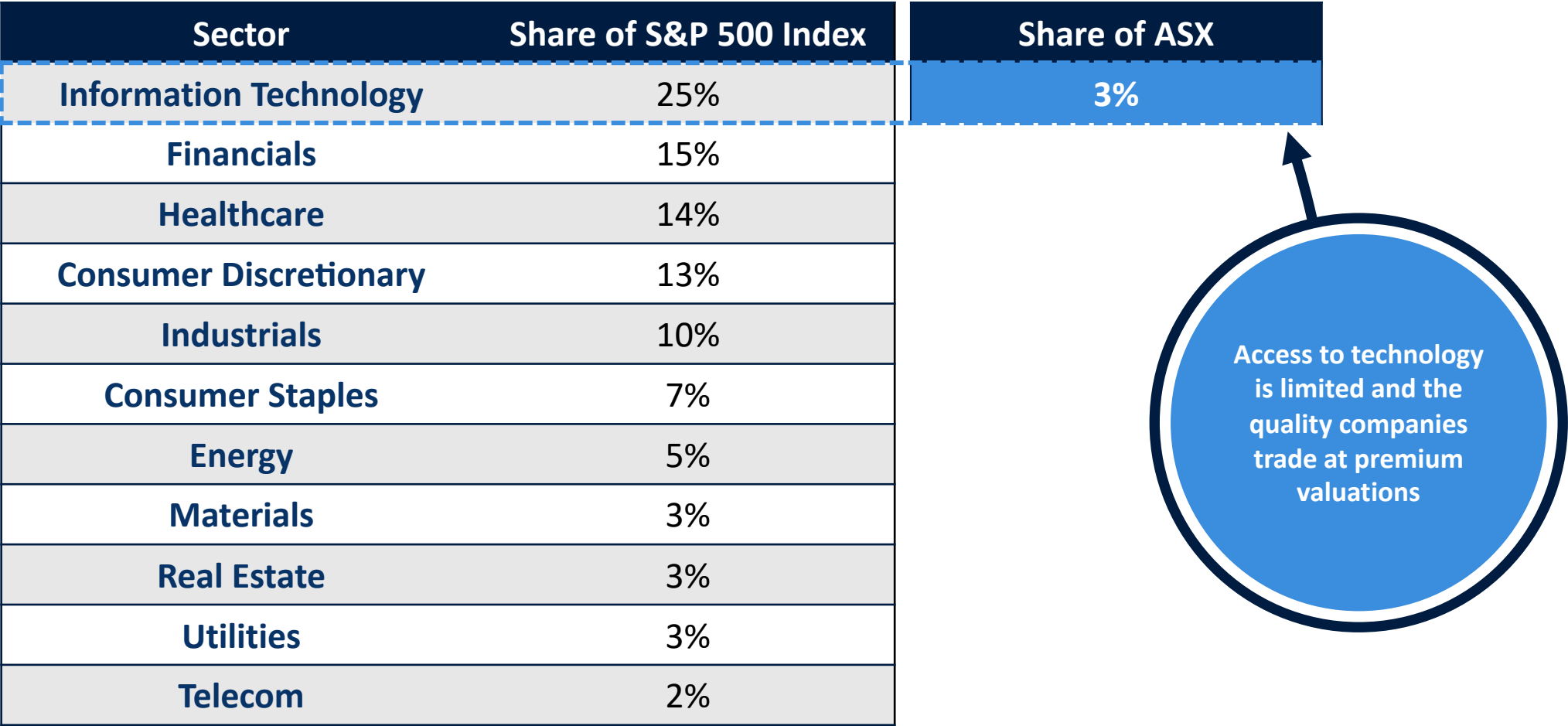
There are winners and losers from this structural shift, creating investment opportunities

Technology sector returns continue to outperform the market



The ASX provides limited opportunity for technology exposure

Investors increasingly recognise the importance of technology in a balanced portfolio



So how do Australian investors get exposure to high growth technology companies at a reasonable valuation?

Bailador has a disciplined approach to investing in high growth technology

Technology Focus

- Specialist information technology focus
- Expertise in assessing SaaS and marketplace business models
- Focused engagement with a concentrated portfolio
- Ability to share insights across the portfolio

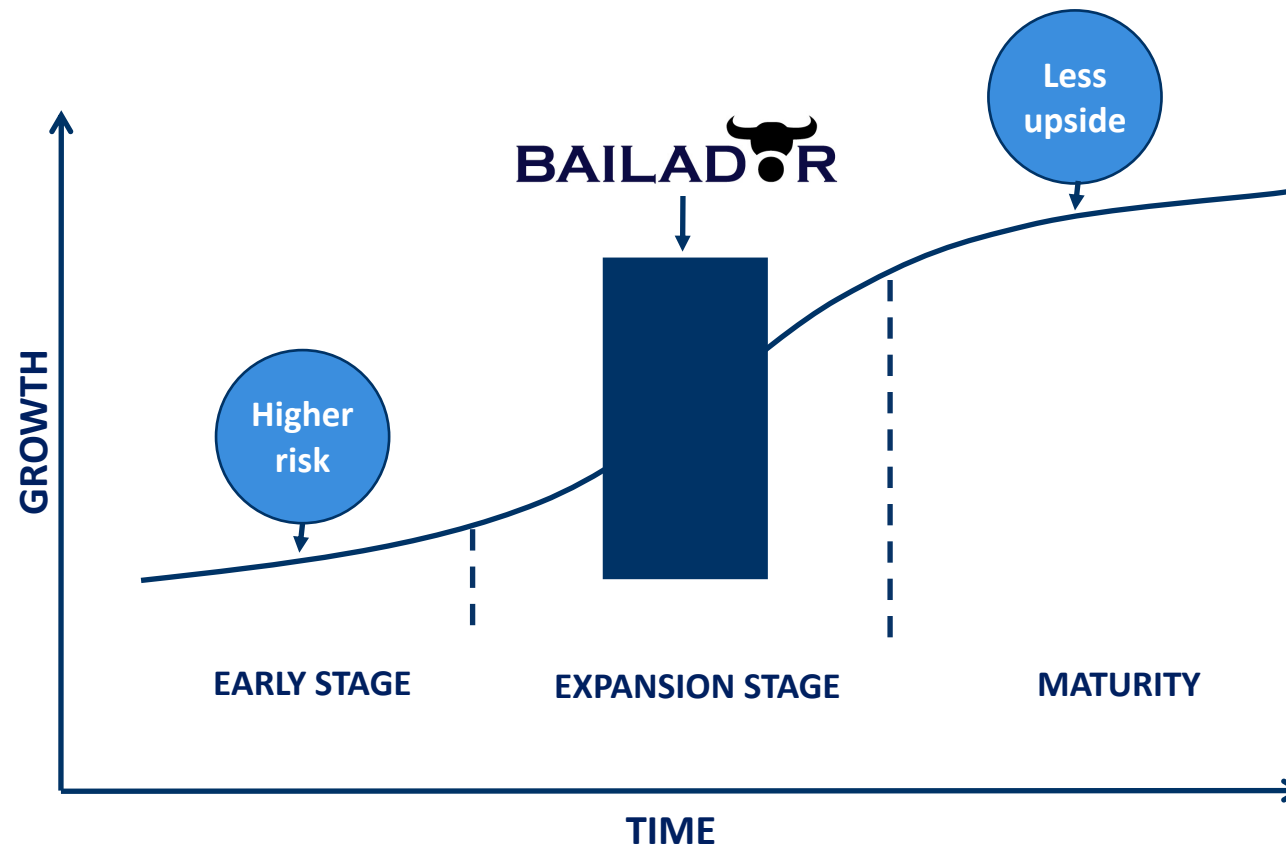
Expansion Stage

- Private companies
- \$5m-\$50m revenue
- Proven business model
- Proven product market fit
- Technology de-risked
- Global addressable market
- Capital-efficient scalability
- Seasoned management team

Active Value Add

- Board involvement
- Global industry contacts
- C-suite recruitment
- Growth discipline
- Corporate strategy
- Operational support
- Capital raising
- Exit execution

The Expansion Stage provides the most attractive risk/reward balance for investors



Expansion Stage businesses are lower risk than startups, but can be accessed at a realistic valuation before they are public

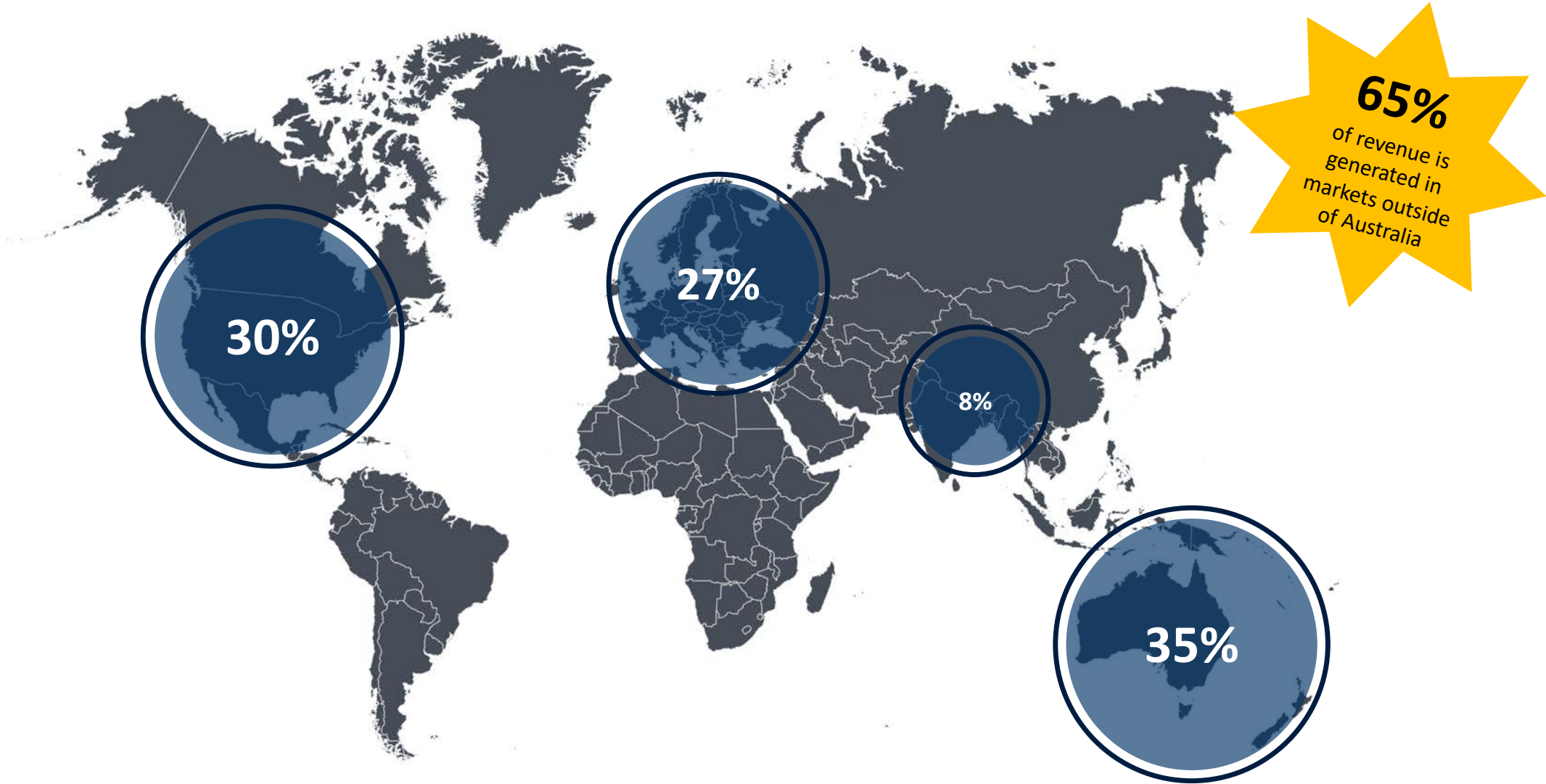
Bailador provides *access* to quality
expansion stage technology companies at
attractive valuations before they are public

Bailador has an effective business model that generates premium returns

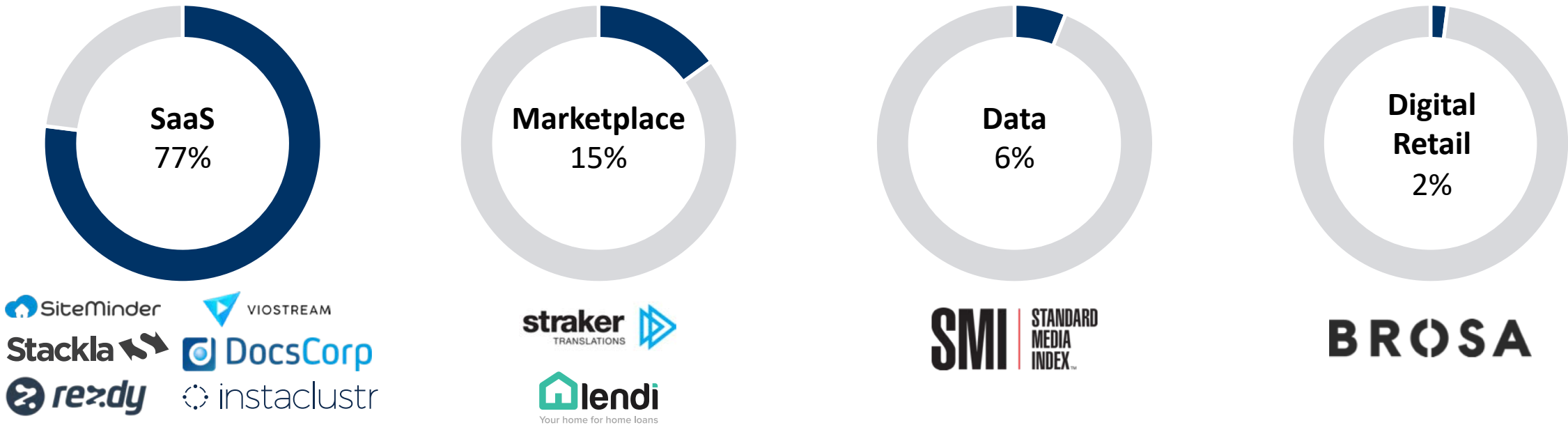
INVESTING	GROWING	REALISING
<ul style="list-style-type: none">• Review hundreds of opportunities per year• Deep diligence on those of interest• Leverage sector expertise and connections	<ul style="list-style-type: none">• Add A-Grade managers to work with founders• Drive disciplined growth• Develop a clear profitable path	<ul style="list-style-type: none">• Prepare businesses for IPO• Maximise interest from multiple trade buyers• Realise cash returns

Bailador's portfolio companies are addressing huge global markets

Each has the characteristics to become an extremely large company in its own right, so the upside potential is significant



Bailador favours Software-as-a-Service (SaaS) and Marketplace business models



CHARACTERISTICS





- ✓ Predictable recurring revenue streams
- ✓ Efficient scalability
- ✓ Measurable metrics
- ✓ Ability to address global market opportunities

The SaaS model enables global reach from anywhere in the world

SaaS Characteristics

- Build one software platform
- Sell it thousands of times on subscription model
- Recurring monthly or annual licence revenue
- High gross margins - typically 80%+
- Cost to serve additional customers is minimal, so additional margin drops to the bottom line
- Highly scalable:
 - One central development team, usually in a low cost location
 - Unit economics can apply to any market

Aus/NZ SaaS Examples

	Market cap (2018)	Revenue multiple
	USD\$20.4bn	22.3x
	\$6.4bn	15.6x
	\$6.1bn	27.2x
	\$3.3bn	23.3x

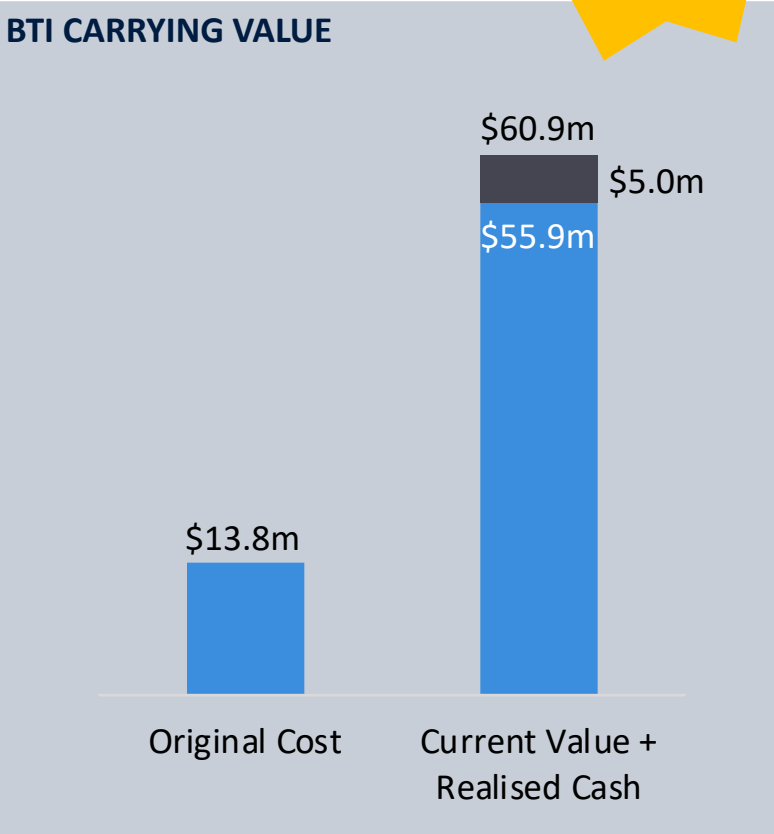
**Australia and New Zealand have already produced notable successes in SaaS
but this is the tip of the iceberg of emerging Australian SaaS companies**

SiteMinder is a SaaS business that dominates in travel technology

SiteMinder is the leading hotel technology platform for channel management and distribution solutions

SiteMinder represents 40% of BTI's portfolio

Business Features	What Excites Us
<ul style="list-style-type: none">US\$21bn+ transaction value per annum and growing fast30,000+ hotel customers (world's largest)Proven ability to scale globally (75% of revenue is international, customers in 100 countries)Highly efficient customer acquisition capabilitySaaS/B2B, stable recurring subscription model	<ul style="list-style-type: none">The world leader in its space for technology, market position and scale (triple its nearest competitor)Huge addressable marketPerfectly positioned for sustained growth as technology rapidly transforms the travel industrySaaS model enables consistent and predictable recurring revenue growthHigh calibre proven management team






The only way to get access to SiteMinder is through BTI. SiteMinder is BTI's largest holding

The online Marketplace model allows global reach and scales very efficiently

Marketplace Characteristics

- Ability to achieve rapid scale, with thousands of suppliers and thousands of customers
- Location agnostic – has the ability to efficiently serve customers on a global scale
- Adding value to the transaction boosts margin and creates stickiness for marketplace participants
- Retaining the transaction in your platform is key

Aus/NZ Marketplace Examples

	Market cap (2018)	Revenue multiple
 *	\$2.0bn	8.1x
	\$230m	4.1x
	\$344m	1.8x

*David Kirk is chairman of TradeMe

Australia and New Zealand have already produced notable successes in Marketplaces but there are many more underserved industry segments well suited to the Marketplace model

Straker Translations is a leading global provider of cloud-enabled translation services, using superior technology and data

ASX
IPO

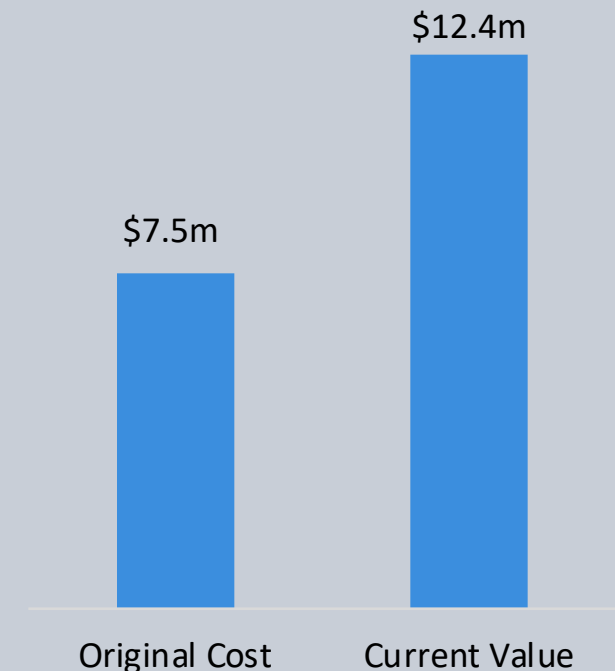
Business Features

- Intelligent use of Machine Translation technology and crowd-sourced human translators to create an enterprise-grade translation platform
- More than 8,400 customers and a network of 13,000+ translators
- Proven international expansion (already >85% of revenue is outside of NZ & AUS)
- 83.5% repeat revenue rate
- A highly valuable data asset, which feeds continuous machine learning

What Excites Us

- Use of leading technology to create a superior platform, enabling the highest gross margins in the translation industry
- Huge global market (est. US\$43bn) growing at 9% pa, underpinned by structural trends (globalisation, increased online content and a growing middle class)
- Ability to accelerate growth via acquisition of small translation services providers that quickly become EBITDA accretive when migrated onto the Straker platform

BTI CARRYING VALUE



BTI was able to provide investors with access to Straker at an excellent valuation before IPO

instaclustr is a break-out success in the BTI portfolio

Instaclustr is a world-leading open source technology platform servicing the multi-billion dollar global database market

Revenue
more than
tripled since
investment

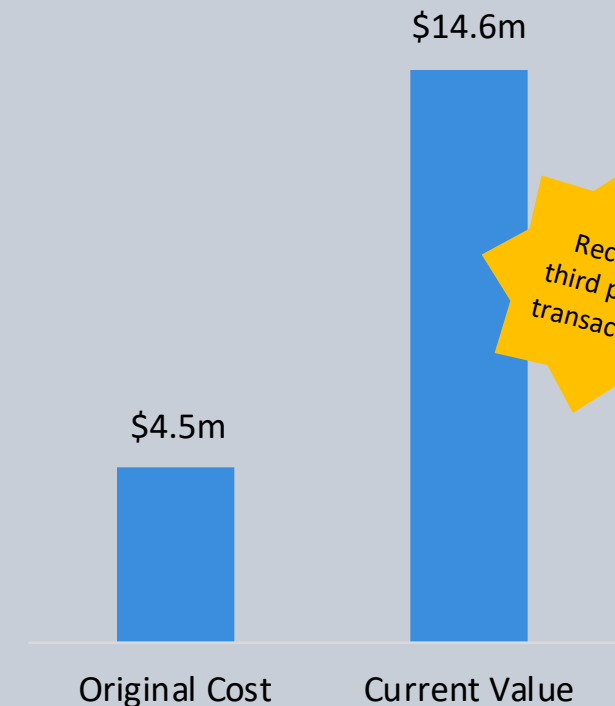
Business Features

- Highly sought after technology platform that automates the management of complex open source deployments
- Huge addressable market that continuously expands with the addition of new open source products
- Truly global business (most revenue is international)
- Revenue per customer scales alongside data under management, creating incredibly attractive unit economics
- Exceptional founder-led management team

What Excites Us

- Impressive revenue growth (more than tripled in less than two years since investment)
- Uniquely positioned to take advantage of the global 'big data' phenomenon
- Recently attracted US\$15m funding from a high calibre US investor, further validating BTI's investment thesis
- Instaclustr is now positioned to accelerate global expansion and will invest further in sales and product in the next year











BTI CARRYING VALUE



Recent
third party
transaction

Instaclustr continues to grow at a rapid pace, underpinned by solid technology IP and profitable unit economics

Bailador continues to generate value growth across the portfolio

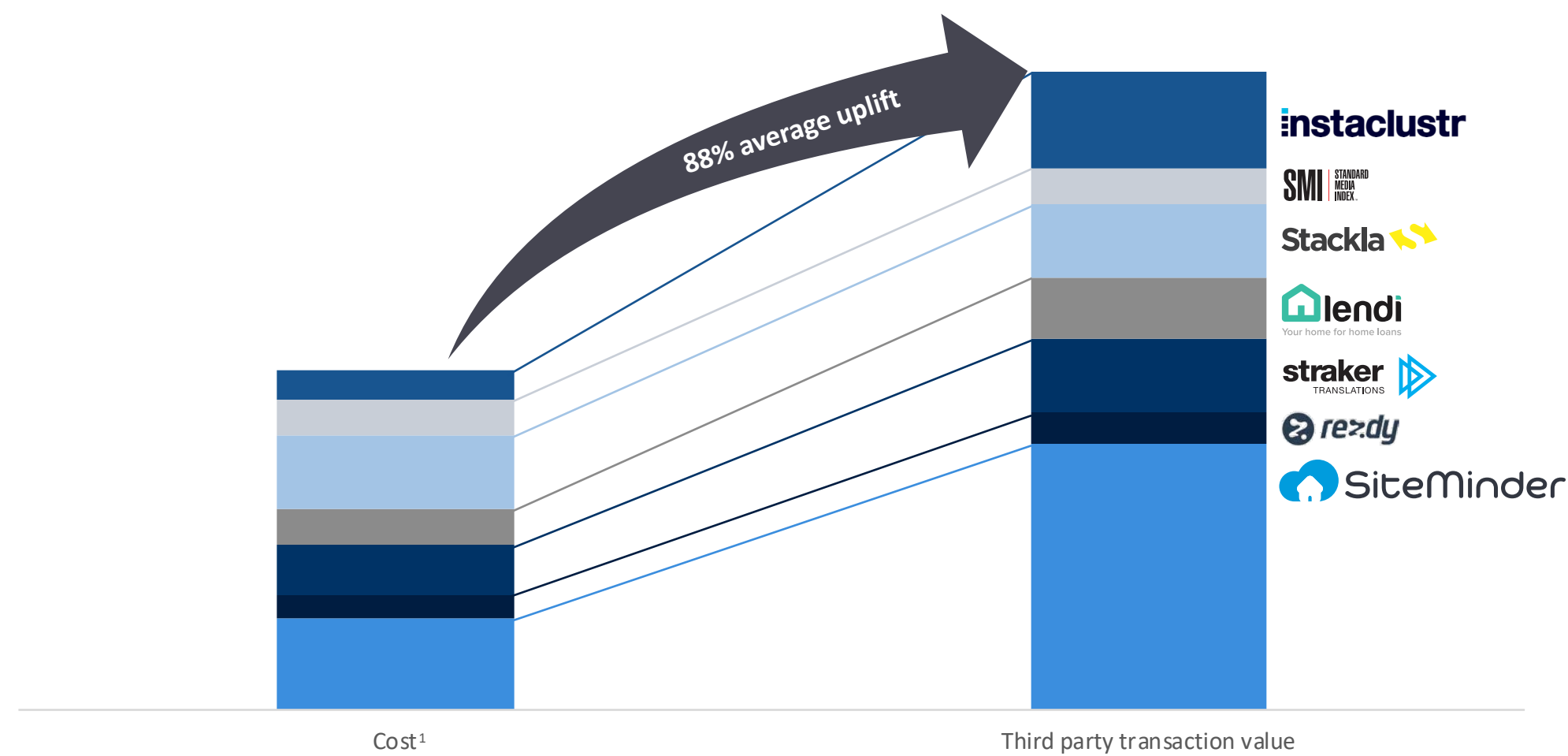
NTA 30 September 2018				
Portfolio company	Current valuation	NTA per share	Third party transaction	Gains
 SiteMinder	55.9	0.47		▲ 305%
 instaclustr	14.6	0.12	✓	▲ 225%
 Stackla	12.6	0.10	✓	▲ 13%
 straker <small>TRANSLATIONS</small>	12.4	0.10	✓	▲ 65%
 lendi <small>Your home for home loans</small>	9.5	0.08	✓	▲ 73%
 DocsCorp	9.2	0.08		▲ 83%
 SMI STANDARD MEDIA INDEX	7.4	0.06		▶ 0%
 VIOSTREAM	7.4	0.06		▼ -72%
 re:dy	4.5	0.04	✓	▲ 25%
 BROSA	3.0	0.02	✓	▶ 0%
Cash	2.9	0.03		
Other	-0.1	0.0		
Total NTA	139.3	1.16		

October IPO

The portfolio is reaching a stage of realisation events to crystallise cash gains

Valuations are reviewed 12 months following third party transactions

Bailador conservatively values its portfolio, validated by third party transactions



There have been 14 third party transactions in 7 BTI portfolio companies.
All have been at or above BTI's prior carrying value

¹Cost is the investment cost prior to the third party transaction.

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Portfolio Company Details

Name:	 SiteMinder	 instaclustr	 Stackla	 straker	 lendi
Type:	SaaS/B2B	DBaaS/B2B	SaaS/B2B/UGC	Marketplace/Machine Learning	Fintech
About:	World leader in hotel channel management and distribution solutions for online accommodation bookings	Open source data platform for cloud-based solutions that require immense scale	Leading tech platform for brands to leverage User Generated Content (UGC) in their marketing strategy	Cloud-based translation services provider and one of the world's fastest growing translation companies	Australia's #1 home loan provider disrupting the multi-billion-dollar mortgage industry
HQ:	Sydney	Canberra	San Francisco	Auckland	Sydney
Staff:	550-600	50-100	50-100	100-150	250-300

Name:	 DocsCorp	 SMI	 VIOSTREAM	 rezdy	 BROSA
Type:	SaaS/Document Productivity	SaaS/Big Data	SaaS/Video	SaaS	Online Retail/B2C
About:	Global leader in the rapidly growing document productivity segment	Big data aggregation and analysis platform with exclusive access to ad expenditure data	Cloud-based end-to-end platform for the creation, management and distribution of video	Leading, innovative and fast growing online channel manager and booking software platform for tours & activities	Tech-led, vertically integrated furniture brand and online retailer
HQ:	Sydney	New York	Sydney	Sydney	Melbourne
Staff:	100-150	1-50	1-50	50-100	1-50

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