



Financial Year End Update

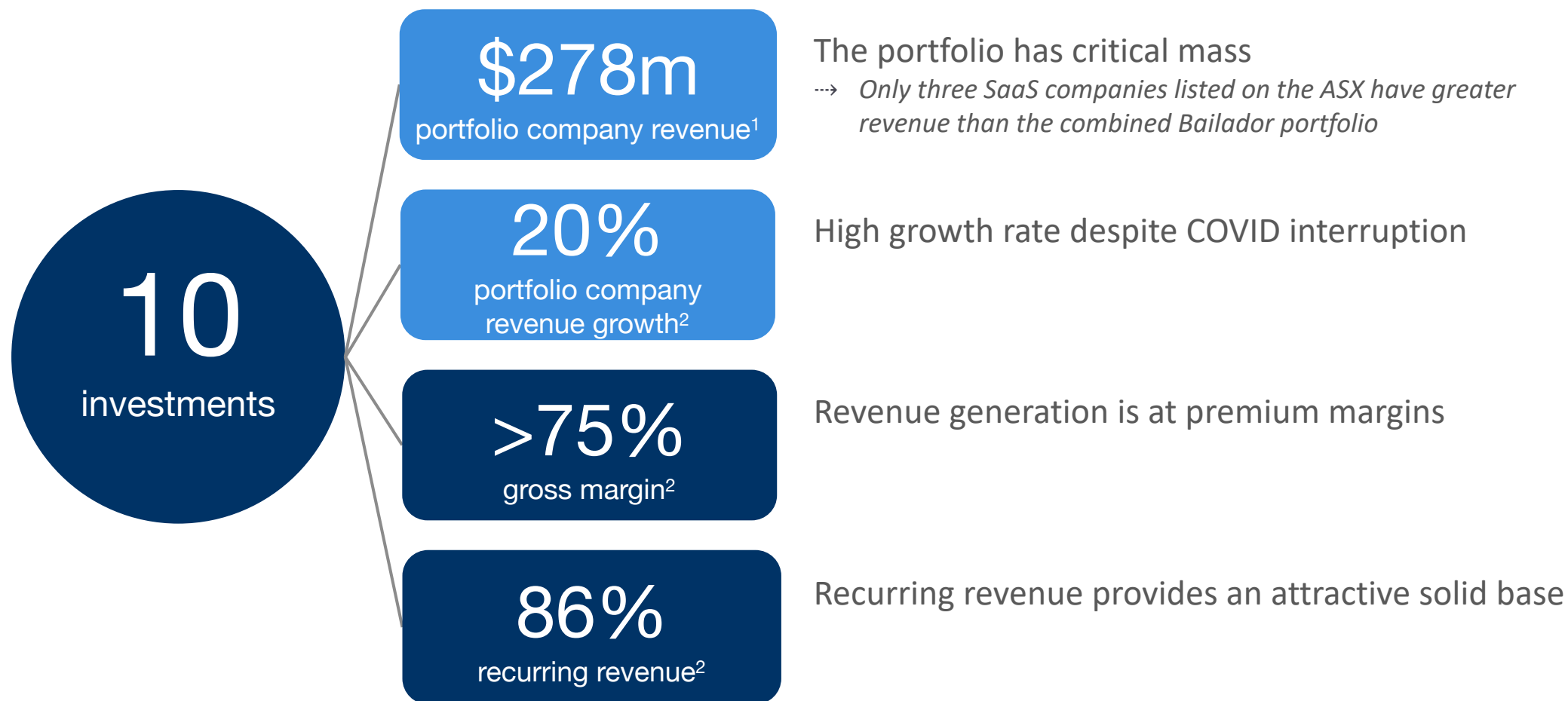
July 2020

Bailador Technology Investments Limited (ASX:BTI)

Executive Summary

- ✓ **The Bailador portfolio had great momentum going into COVID and has performed strongly through it**
→ *Portfolio revenue growth rate to 30 June is 20%*
- ✓ **The Bailador portfolio companies are well capitalised – no liquidity concerns**
- ✓ **Portfolio valuations at 30 June confirmed through Independent Expert Review**
- ✓ **Working towards profitable cash realisations – some delays due to COVID**
- ✓ **Attractive new tech investment opportunities available to Bailador**

Bailador's portfolio of 10 established fast growth technology companies has enviable characteristics



SiteMinder is the world leader in connecting hotels to online distribution channels for accommodation bookings

- Raised >\$100m (primary & secondary) at \$1b+ valuation in January 2020
- Subscription revenue represents >90% of gross margin, so transaction volumes less critical
- Performance is closer to other SaaS businesses than to businesses in the travel sector who are more reliant on transaction revenue
- Subscription gross margin on par with prior year despite travel reductions due to COVID
- Transaction revenue declined and now recovering stronger than the broader revival in travel
- Bookings low in Asia due to no Chinese travel, but US, Australia and continental Europe experiencing strong bookings from domestic travel: [World Hotel Index](#)
- The monthly cost of the SiteMinder platform to a hotel is minimal, but the functionality to drive revenue is critical – meaning hotels continue SiteMinder subscription
- SiteMinder management made significant cost reductions at start of COVID to ensure sustainable model even in prolonged travel downturn
- Performance has significantly exceeded expectations entering COVID
- Overall growth delayed, but strategic position strengthened

Cash

High level of cash following January 2020 capital raise.

Sustainability

No sustainability issues.

Prospects

Strategic position strengthened.
IPO impact likely to be timing only.

Valuation

Valuation held constant and remains in line with the third party investment in January 2020.
SaaS comps more appropriate than travel comps.

instaclustr

13%

OF BTI NTA

Instaclustr is an open-source-as-a-service platform for complex big data applications

- **Rapidly rising star**
- **Instaclustr has seen minimal impact from COVID, continuing to grow strongly**
- **Major new client wins in May and June**
- **Instaclustr continues to increase the number of technologies offered on the platform – now includes Cassandra, Kafka, Elasticsearch, and Redis (to be launched soon).**
- **Benefitting from strong structural tailwinds of:**
 - Big data driving demand for technologies to process and store the data
 - Applications and databases moving to the cloud
 - Adoption of open source technologies

Cash

Significant cash balance.

Sustainability

Operates deliberately around breakeven level.
No significant cost reduction has been necessary.

Prospects

Very strong business prospects.
ASX IPO candidate.

Valuation

Valuation review due in August 2020, being 12 months from previous valuation event.



Your home for home loans

7%

OF BTI NTA

Lendi is a Fintech online platform that radically simplifies the process of obtaining a home loan

- The business is a net beneficiary from COVID driving increased digital shift
- Growth in online channel is driving Lendi market share wins as the 'in person' channel of traditional providers struggles
- Strong growth in submissions and loans approved driven by refinancing
- Lendi has experienced record levels of requests for loans, submissions to lenders and revenue all while transitioning national and international team members to remote working
- Accelerating revenue growth rate

Cash

Significant cash balance after December 2019 capital raise through convertible instrument linked to IPO pricing.

Sustainability

Significant reduction in cash burn as revenue growth accelerates and some cost reductions.

Prospects

Big beneficiary from digital shift.
ASX IPO candidate.

Valuation

BTI has not increased its valuation of Lendi since November 2018 despite significant progress.
Next Valuation review due in November 2020.

Global leader in the rapidly growing document productivity segment of the Legaltech market

- No customer losses as product essential for client operations
- Small cost reductions undertaken
- Timeline to convert revenue pipeline extended somewhat but product demand remains robust

Cash

Cash generative with significant cash on balance sheet.

Sustainability

No sustainability issues.
Profitable.

Prospects

Continued profitable growth.

Valuation

Holding valuation constant to be conservative in the absence of a third party transaction.

Standard Media index

6%

OF BTI NTA

Big data aggregation and analysis platform with exclusive access to ad expenditure data

- Minimal COVID impact
- US Data pool expanded with Group M addition
- SMI launched in Canada in June
- Most of CY20 budget revenue already secured
- New product launches generating incremental revenue
- The business is benefitting from turbulent media spend markets, with customers requiring greater insight – which SMI delivers

Cash

Significant cash on balance sheet from continuing and growing retained earnings.

Sustainability

No sustainability issues.
Profitable.

Prospects

Continued profitable growth.

Valuation

Holding valuation constant to be conservative in the absence of a third party transaction.



4%

OF BTI NTA

Leading, innovative and fast-growing B2B marketplace for tours & activities.

- Significant short term impact from COVID
- Material cost reductions implemented
- Subscription revenue (~70% of total) holding up well
- Over 60% of supplier base now taking bookings, but levels are still substantially down
- Transaction revenue fell to near zero and is now steadily rebuilding
- Australia/NZ represents approximately 50% of revenue, and the market is recovering quite well on domestic activity

Cash

Adequately capitalised after September 2019 capital raise.

Sustainability

Government support and other cost reductions limit losses. Now trending to cash breakeven. Self funding on base case – requires continued sector recovery.

Prospects

Driven by the pace of recovery of the tours and activities industry sector by geography.

Valuation

BTI holds convertible securities with a senior position in the Rezdy capital structure, meaning a relatively modest EV is required to redeem face value.

BTI is marking the valuation of its Rezdy investment to that level, resulting in a 2% reduction.



Straker Translations is a world leading AI data driven language translation platform powering the global growth of businesses

- COVID has not had significant financial impact on the business
- Appropriate cost saving measures were put in place, However revenue has proven robust
- An industry trend is that large users of translation services have been prompted by COVID to seek cost savings. This is giving Straker the opportunity to win new major clients who were otherwise hard to access.
- Variable cost base utilising freelance translator pool provides flexibility
- Paused acquisitions, but ready to act on emerging opportunities
- Straker aims to be a NZ\$100m revenue company in three years
- Detail available in [STG:ASX results announcement](#)

Cash

Solid cash balance.
NZ\$11.2m cash (no debt) as at 31 March 2020.

Sustainability

No sustainability issues.
Operates near breakeven, moving towards profitability.

Prospects

Straker aims to be a NZ\$100m revenue company in three years.

Valuation

ASX listed. BTI owns 12.1%.
Mark to market at 30 June.

BROSA

2%

OF BTI NTA

BROSA is the leading Australian vertically integrated and digital native furniture retailer

- Net beneficiary from COVID
- Demand for furniture is up as people isolate at home
- Brosa's fully digital model has been perfectly placed to take advantage of consumers' increasing willingness to order substantial goods online

Cash

Modest cash reserves but increasing cash on balance sheet as retained earnings grow.

Sustainability

Cash flow positive.

Prospects

Beneficiary of digital acceleration.

Valuation

Valuation constant.

Stackla



0%

OF BTI NTA

Leading AI powered tech platform for brands to leverage User Generated Content (UGC) in their marketing strategy



- Stackla has continued to win large enterprise deals with blue chip customers over the half, but has also experienced some customer churn as different customer segments have varying impact from COVID
- The business operates in a sustainable manner
- Continues to prove its technology leadership in the space
- BTI reduced the valuation of its investment in Stackla to nil in September 2019 due to uncertainty at that time over access to the Facebook platform. The issue was resolved and the business has performed well since that time. There has been no third party transaction, and BTI has not increased its valuation, maintaining a conservative approach. However there is good prospect of value realisation

Cash

Stable modest cash position.

Sustainability

Operates at breakeven.

Prospects

Continued enterprise customer wins.
Growth will reflect customer fortunes.

Valuation

BTI holds its investment in Stackla at nil valuation.
Good prospect of value realisation.



VIOSTREAM

Viostream is a cloud-based video management, storage and distribution platform for enterprises

- **COVID disruption has exponentially increased the use of video and strengthened Viostream's use case**
- **Prior cost reductions have the company well positioned**
- **Q4 renewals all proceeding**
- **Small and focussed team executing well**

0%

OF BTI NTA

Cash

Cash balance growing strongly recently as retained earnings build.

Sustainability

Company significantly cash profitable in this quarter. Operating in sustainable manner.











Prospects

Stable contracted customer revenue.
May benefit from increased video comms adoption.

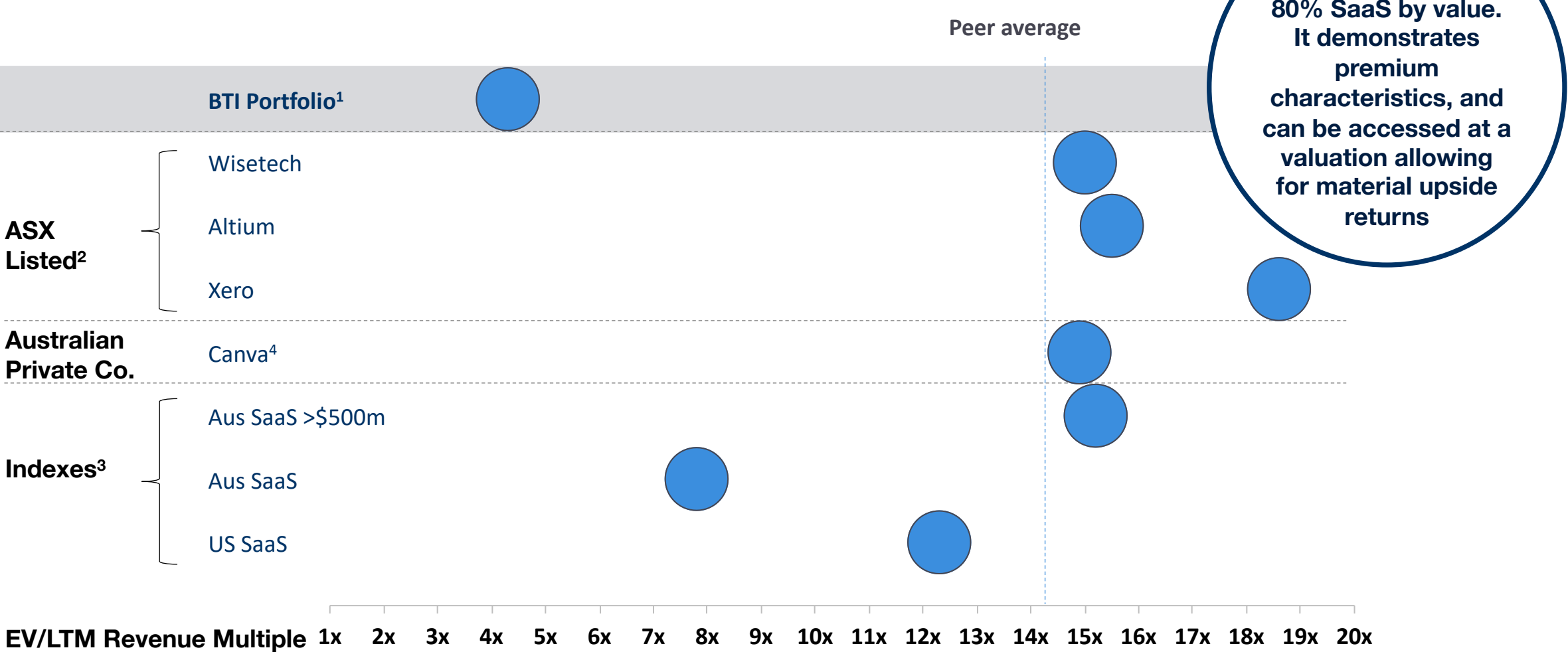
Valuation

Valuation held constant at nil.

BTI is well positioned to generate value growth across the portfolio

Portfolio company	Current valuation	NTA per share	Comment
 SiteMinder	82.5	0.67	Proven winner; Withstanding COVID travel disruption well
 instaclustr	19.0	0.15	Emerging Star. Hot sector. IPO candidate
 DocsCorp	10.9	0.09	Solid profitable co. Accelerating recurring revenue and US growth.
 lendi <small>Your home for home loans</small>	10.7	0.09	Winner from COVID. IPO candidate
 Standard Media Index	9.6	0.08	Profitable unique business model
 rezyd	5.7	0.05	Impacted by COVID. Driven by tours & activities recovery
 straker <small>TRANSLATIONS</small>	5.6	0.05	ASX listed. Tech leadership providing significant opportunities
 BROSA	3.0	0.02	Beneficiary from COVID
 Stackla	-	-	Upside potential
 VIOSTREAM	-	-	Upside potential
Cash	4.6	0.04	
Other	0.2	0.00	
Total NTA	151.8	1.24	

The BTI portfolio is conservatively valued



Tech companies are outperforming during COVID, and digital adoption is accelerating

Morgan Stanley,
June 2020

“COVID-19 is a wake-up call to accelerate digital transformation, as companies with a greater digital presence are showing more resilience in the wake of the pandemic. We see digital disruption expanding to more segments of the market, broadening stock market performance to more digital leaders, and driving structurally higher levels of technology investment across the economy.”

Mary Meeker,
April 2020

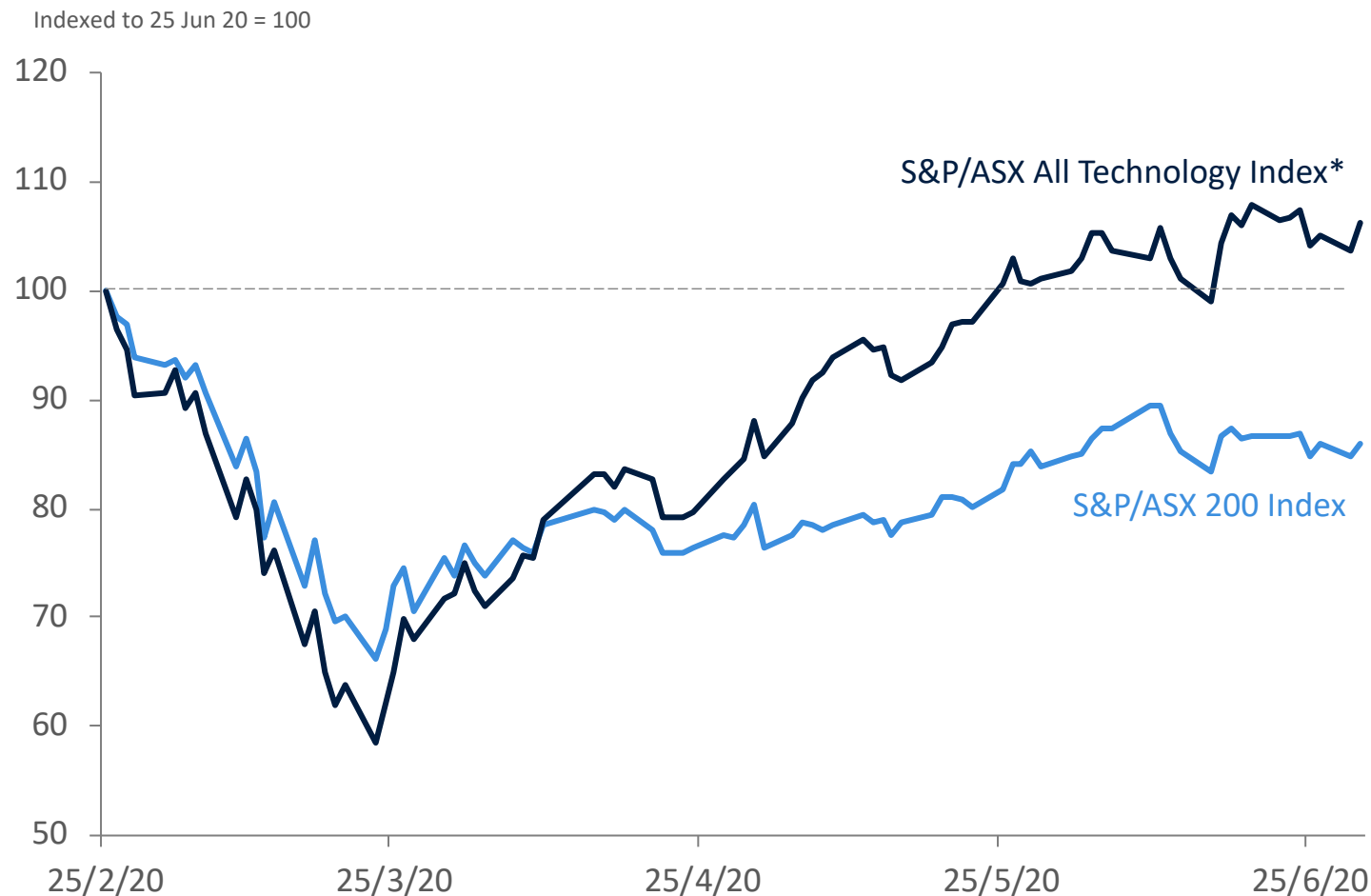
“We believe the COVID-19 environment creates a moment for the technology sector and its entrepreneurs to shine.”

Fiducian Technology
Fund, June 2020

“I think the growth prospects are stronger for technology than other sectors at this time.”

Tech valuations have bounced back

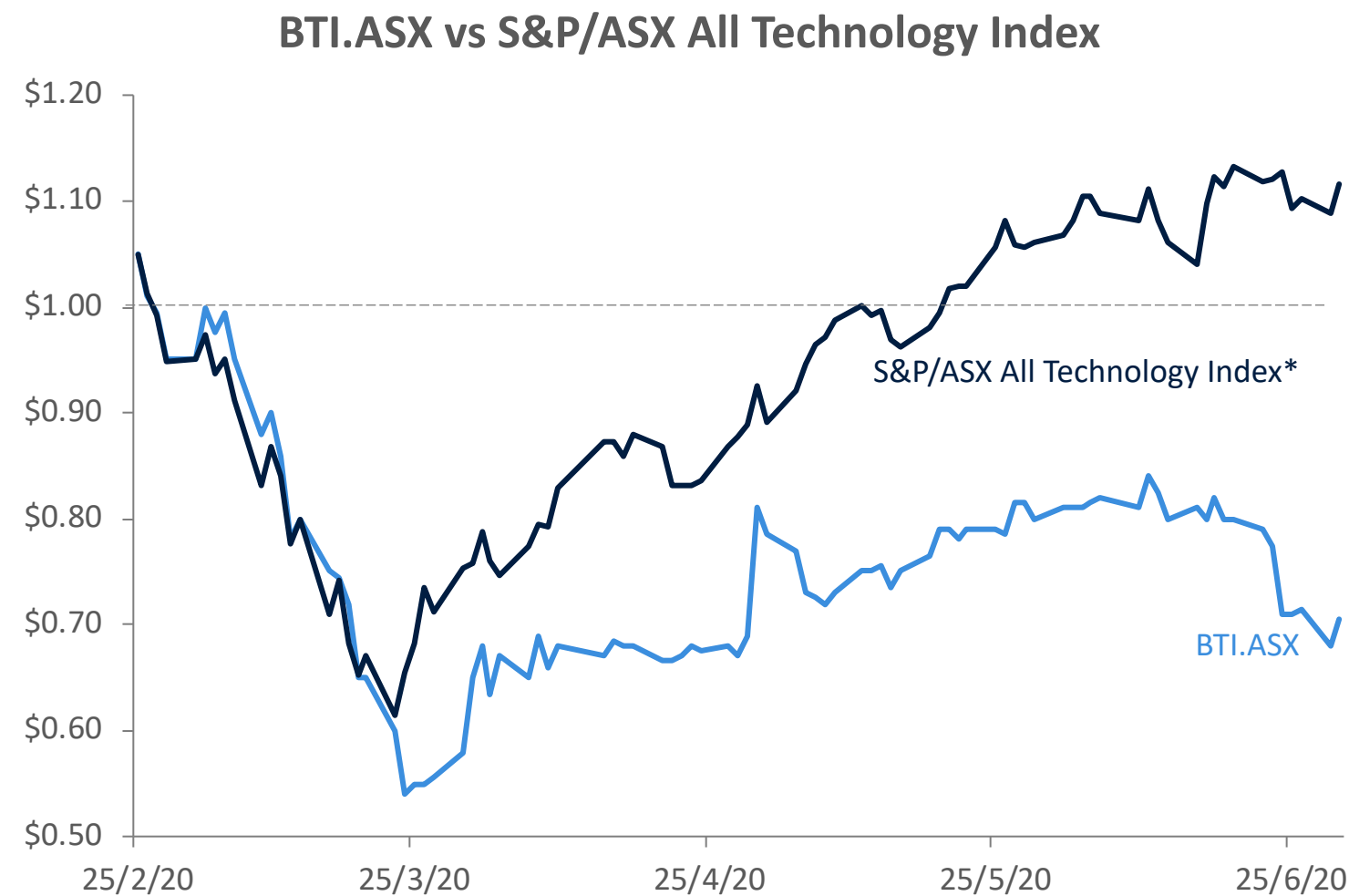
S&P/ASX All Technology Index vs S&P/ASX200 Index



*Index commenced on 25 February 2020

Valuations for technology companies have returned to pre-COVID levels reflecting performance and prospects for the sector

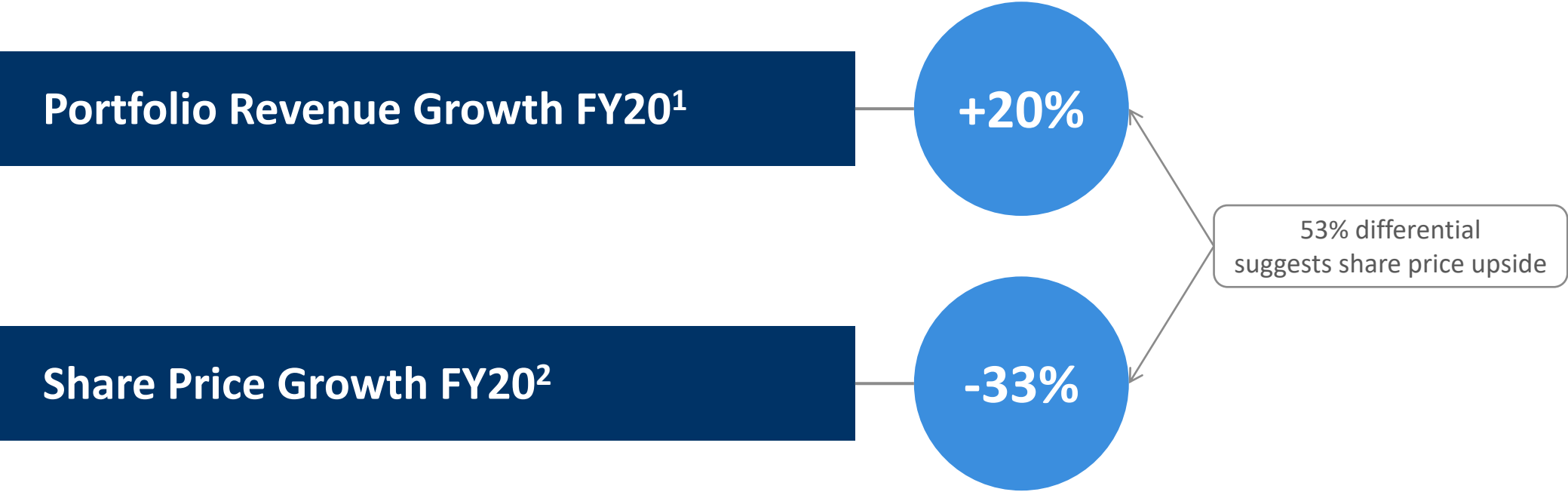
The BTI share price reduced significantly with the market during March due to COVID concerns. It has only partially recovered, representing a buying opportunity



BTI share price lagged while investors waited for confirmation of portfolio performance

*Index commenced on 25 February 2020. Indexed to BTI share price

The strong performance of the BTI portfolio businesses has not yet been reflected in the share price



*Note: *A dividend of 2.5c per share was also paid during FY20.*

Bailador has delivered five partial cash realisations – generating a combined IRR of 42.3%



A number of portfolio investments are working towards profitable cash realisations – some delays due to COVID











Bailador is currently reviewing a number of attractive new investment opportunities

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

Investors get access through an ASX traded share [**ASX:BTI**] with liquidity available at any time

Portfolio company details

Name:	 SiteMinder	 instaclustr	 DocsCorp	 lendi <small>Your home for home loans</small>	 Standard Media Index
Type:	SaaS/B2B	DBaaS/B2B	SaaS/Document Productivity	Fintech	SaaS/Big Data
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	Global leader in the rapidly growing document productivity segment	Australia's #1 home loan provider disrupting the multi-billion-dollar mortgage industry	Big data aggregation and analysis platform with exclusive access to ad expenditure data
HQ:	Sydney	Canberra	Sydney	Sydney	New York
Staff:	500-750	100-250	100-250	250-500	1-50

Name:	 rezdy	 straker <small>TRANSLATIONS</small>	 BROSA	 Stackla	 VIOSTREAM
Type:	SaaS	Marketplace/Machine Learning	Online Retail/B2C	SaaS/B2B/UGC	SaaS/Video
About:	Leading, innovative and fast growing online channel manager and booking software platform for tours & activities	Digital language translation services provider and one of the world's fastest growing translation companies	Tech-led, vertically integrated furniture brand and online retailer	Leading tech platform for brands to leverage User Generated Content (UGC) in their marketing strategy	Cloud-based end-to-end platform for the creation, management and distribution of video
HQ:	Sydney	Auckland	Melbourne	San Francisco	Sydney
Staff:	50-100	100-250	1-50	1-50	1-50

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