



# A Smart Approach to Technology Investment

**Capital Raising Presentation**

April 2021

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Bailador Technology Investments Limited (ASX:BTI)

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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 [ASX:BTI]**

# The Bailador founders are seasoned investors with an excellent track record



## David Kirk

### Co-Founder & Partner

- Former CEO of Fairfax Media (led the acquisition of Trade Me and Stayz.com)
- Chairman of Kathmandu [ASX:KMD]
- Former Captain of the All Blacks, Rhodes scholar to Oxford and policy advisor to the NZ Prime Minister
- Doctor – MBChB (Otago)
- Director of Bailador portfolio companies Instacluster, SMI and Rezdy

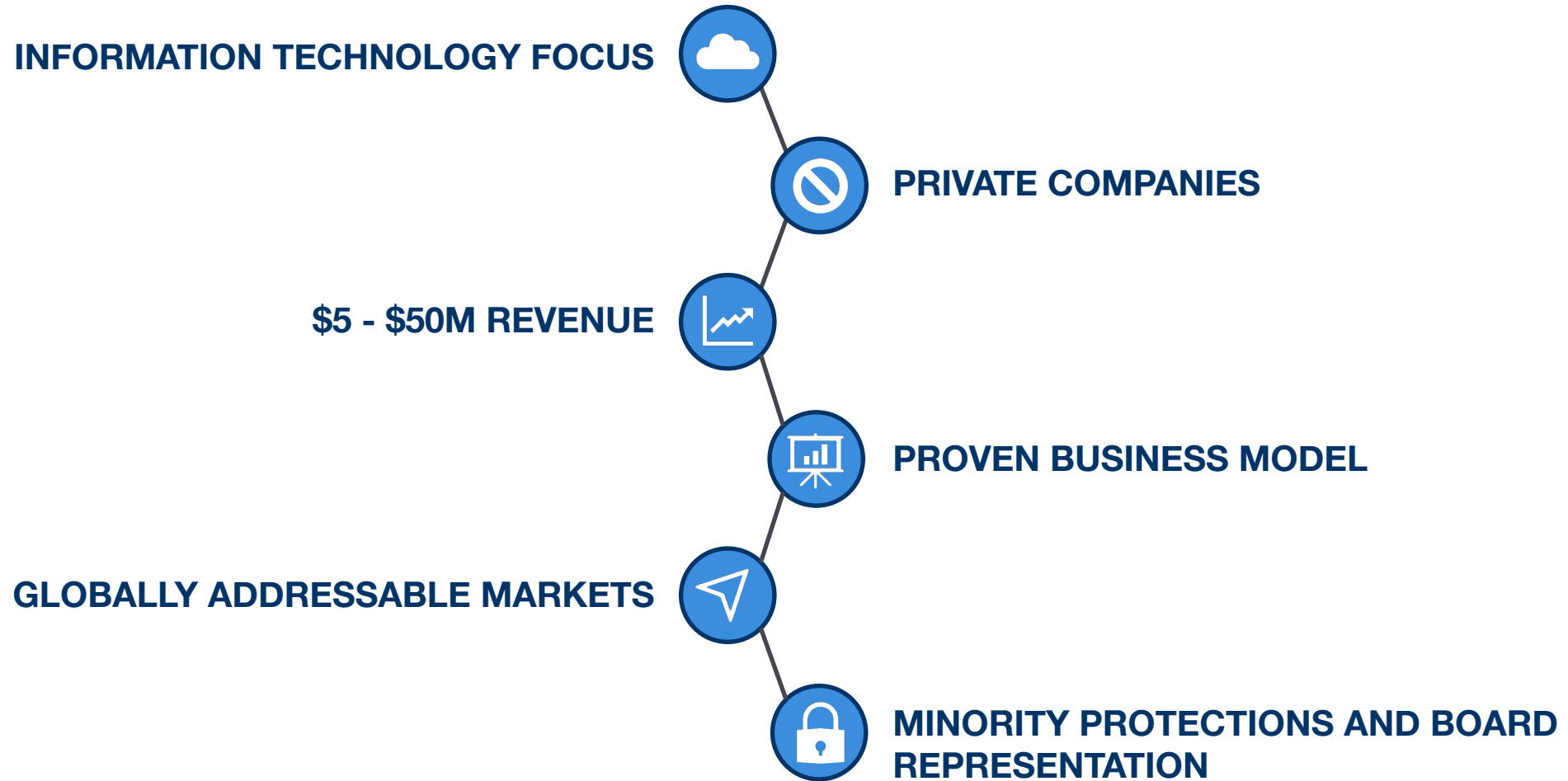


## Paul Wilson

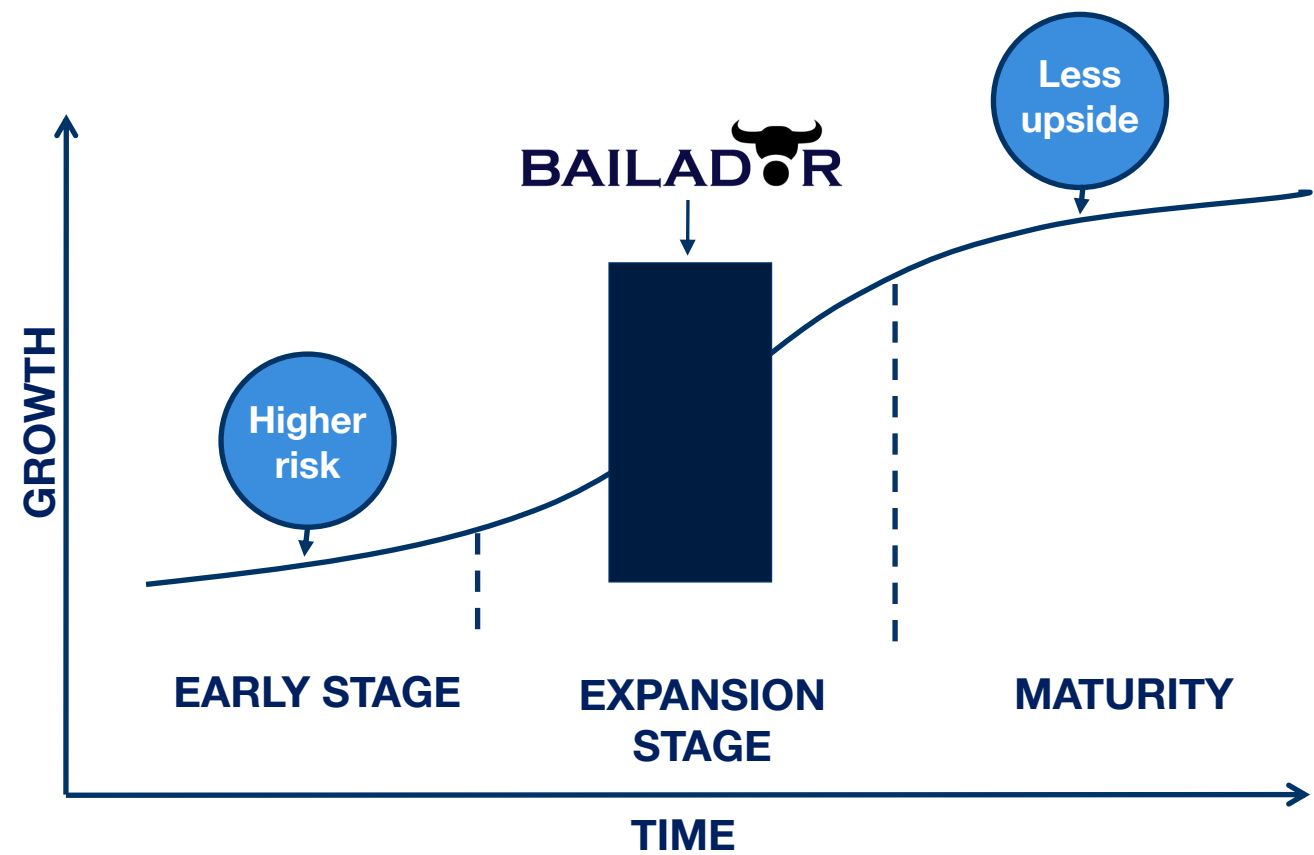
### Co-Founder & Partner

- Former Director of CHAMP Private Equity, and previously MetLife (London and New York) and Executive Director of Illyria
- Excellent investment track record (IRR >30% p.a. over 20 years)
- Director of Vita [ASX:VTG] and Rajasthan Royals (IPL Cricket)
- FINSIA Fellow, Chartered Accountant and Member of AICD
- Director of Bailador portfolio companies SiteMinder, Straker Translations [ASX:STG] and Stackla

# Bailador invests in high growth private technology companies



# Expansion-stage investing has the most attractive risk/reward balance

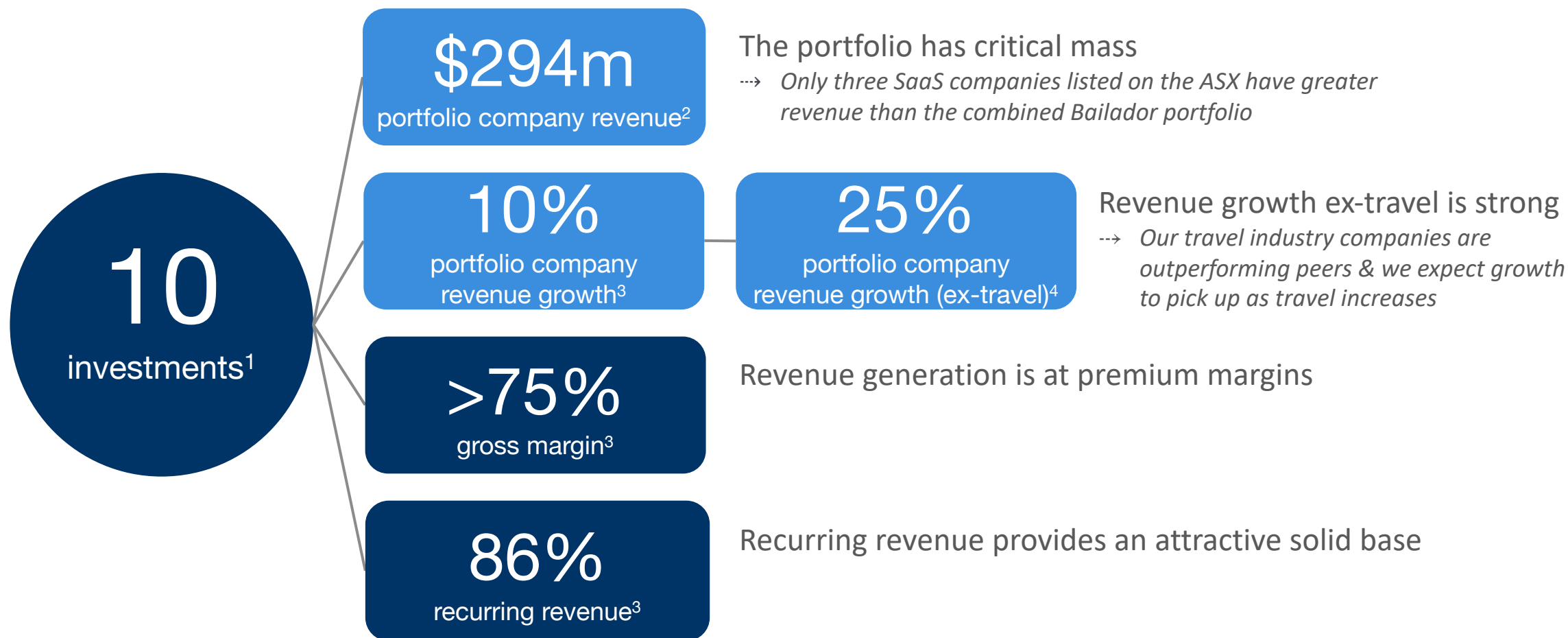


# Our business model is designed to generate premium returns



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

# Bailador has a well-established portfolio of high growth tech companies



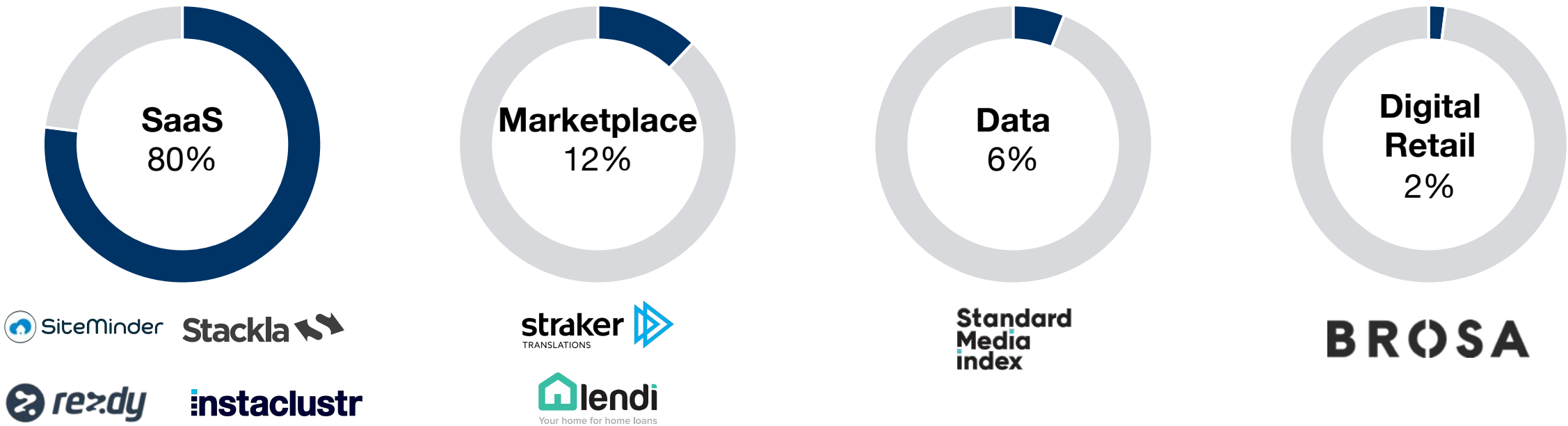
**Bailador's portfolio companies are addressing huge global markets**

...meaning these companies can grow to be very large, very fast



**of portfolio revenue is  
generated in markets  
outside of Australia**

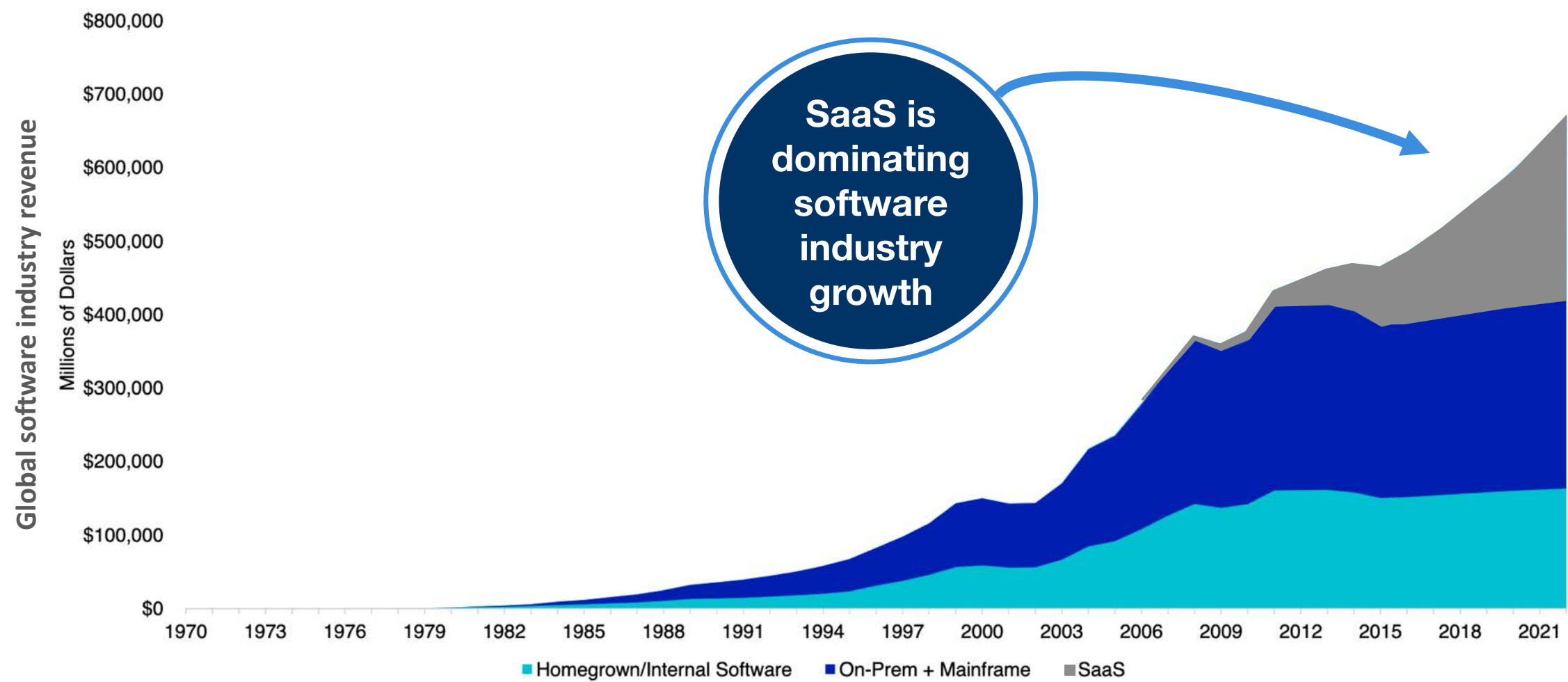
# Bailador favours Software-as-a-Service (SaaS) and Marketplace business models



## CHARACTERISTICS

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

# Global software revenue has exploded in the last 20 years






# 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 (2020)	Revenue multiple
 <b>Atlassian</b>	USD\$52.7bn	30.2x
	\$18.6bn	24.1x
 <b>WiseTech</b> GLOBAL	\$9.4bn	19.8x
<b>Altium</b>	\$3.5bn	13.1x

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

# Case Studies



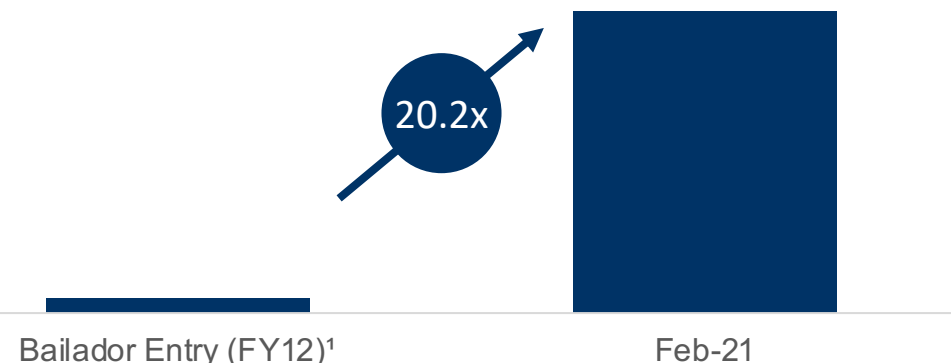
45%

OF BTI NTA<sup>4</sup>

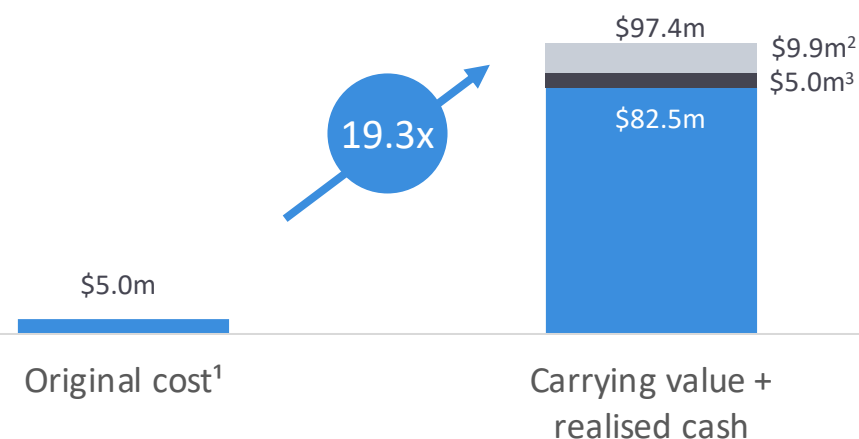
## SiteMinder is the world leader in connecting hotels to online distribution channels for accommodation bookings

- Surpassed \$1bn valuation in January 2020 with investment from renowned global and Australian investors including BlackRock Investments
- The leading global SaaS hotel demand generation platform – triple the size of nearest competitor and a massive addressable market of 1 million hotels
- \$100m+ Annualised Recurring Revenue via subscription revenue model
- Exhibits resilient characteristics of SaaS revenue model and is valued as a premium SaaS business
- Managed performance prudently during COVID - currently EBITDA profitable and investing in product growth
- Revenue from >160 countries with 80% of revenue from international markets with a skew towards the more robust leisure market
- BTI realised a small portion of its investment in January 2020, delivering \$9.9m in cash at a multiple of 21.2x cost, representing an IRR of 50.5%
- Total cash realised for Bailador's investment in SiteMinder is now \$15m
- Strong IPO candidate – likely priority offer for BTI shareholders

LTM Revenue



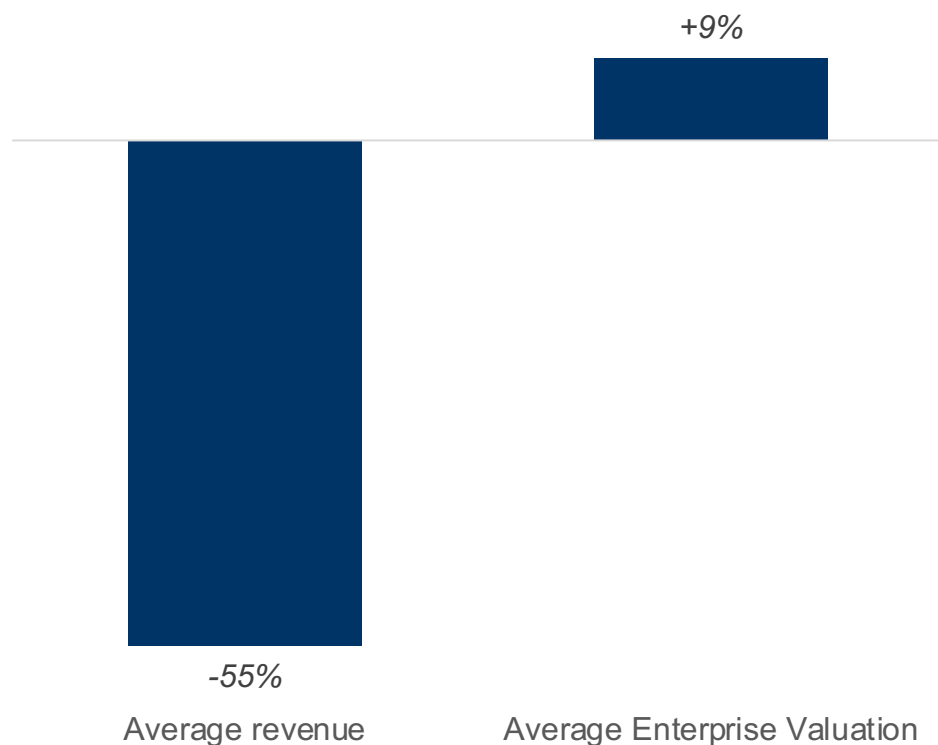
Carrying Value June 30 \$82.5m + Realised Cash \$14.9m



Note: <sup>1</sup>Entry of Bailador prior to formation of listed BTI entity. <sup>2</sup>\$9.9m cash realisation completed in January 2020. <sup>3</sup>\$5.0m cash realisation completed in December 2015. <sup>4</sup>NTA as at 31 March 2021.

Subscription business has materially outperformed other companies in the travel sector

### Travel Sector 12-month Performance<sup>1</sup>

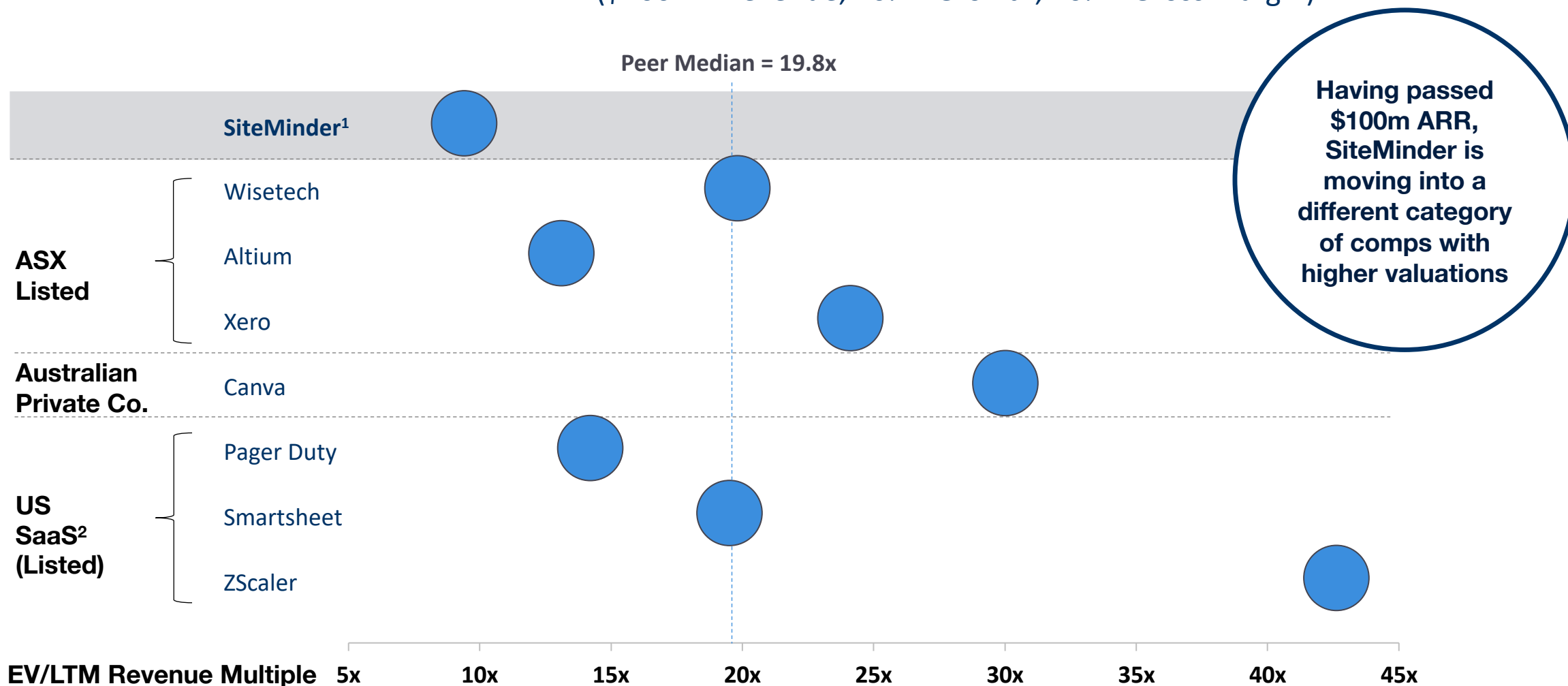


- Travel Sector Revenue materially down in the last 12 months
- Capital markets have looked through that revenue decline to actually value travel companies more highly than a year ago
- SiteMinder has experienced flat revenue growth over the last 12 months, materially outperforming the broader travel sector
  - However, Bailador has held the SiteMinder valuation constant
- SiteMinder is positioned for rapid growth as travel volumes increase



# SiteMinder – Valuation of comparable SaaS businesses

(\$100M+ Revenue, 20%+ Growth, 70%+ Gross margin)



Note: <sup>1</sup>Valuation multiple implied by BTI Carrying value as 31 March 2021 NTA. <sup>2</sup>US listed SaaS companies with LTM Revenue of US\$100-200m.

Source data: Factset data as at 31 March 2021, Company Filings, News Reports, Bailador Analysis.

# instaclustr

## Database management

Instaclustr is a **platform that manages database technologies**, empowering clients to deliver big data applications at scale.

## Use of data – fast growing and complex

The volume of data generated in the modern world is massive and growing. It is a critical and complex part of an enterprise technology stack.

## Corporates require multiple databases

Data is at the heart of operations for many large corporates. These **corporates often require multiple databases** to meet their needs, but may not wish to invest internal resources to become experts in all of those database technologies.

## Outsourcing is the natural solution

**Outsourcing some database management** makes sense for those corporates.

--> Allowing clients to **scale data solutions efficiently**; and

--> Allowing clients to **focus on their core business** and grow their own customer base.

## Instaclustr is a world leader in managing database technologies

Instaclustr is a leader in managing **five open source technologies on a proprietary tech platform**. It provides expert management and support to those technologies:



cassandra



kafka



redis

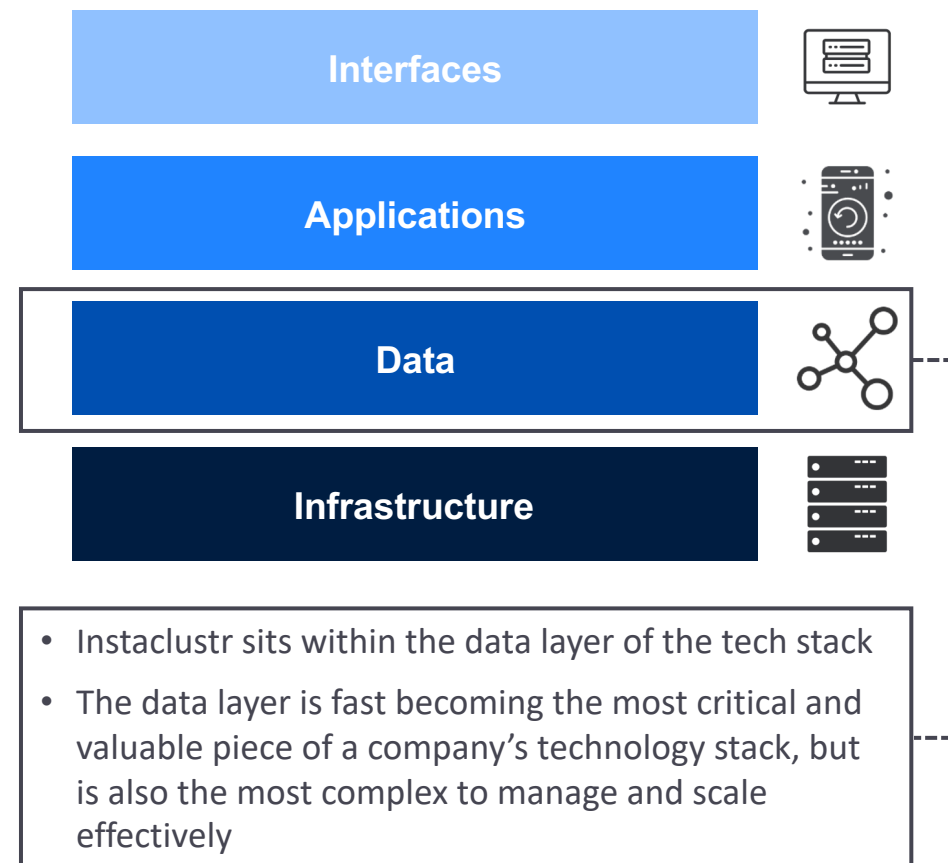


Elasticsearch



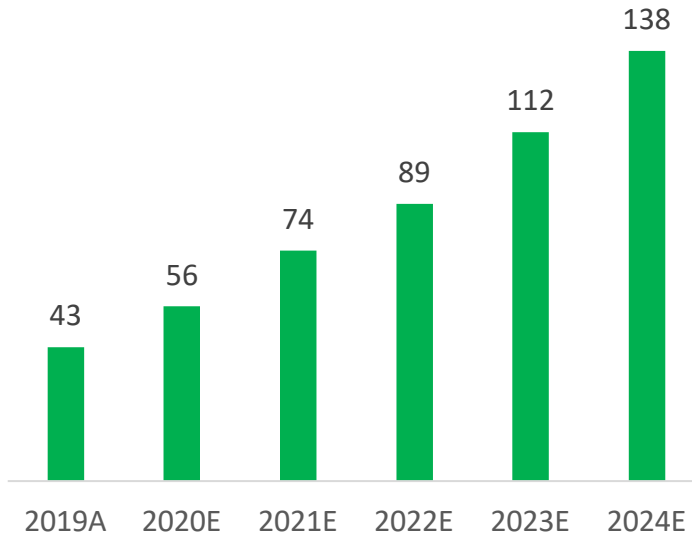
PostgreSQL

## Typical Enterprise Technology Stack



## Exponential Growth in the Global Datasphere

Size of the Global Datasphere (Zettabytes<sup>1</sup>)

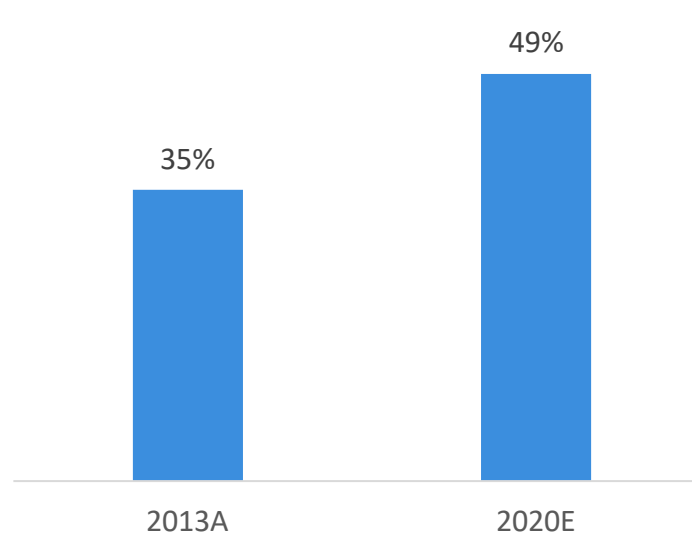


Source: Worldwide Global Datasphere forecast (2020-2024), IDC and Data Age 2025, IDC- Seagate Whitepaper for 2024

**Big data driving demand for technologies to process and store data**

## Increased Open Source Adoption

Open Source Database (% of Total Databases)

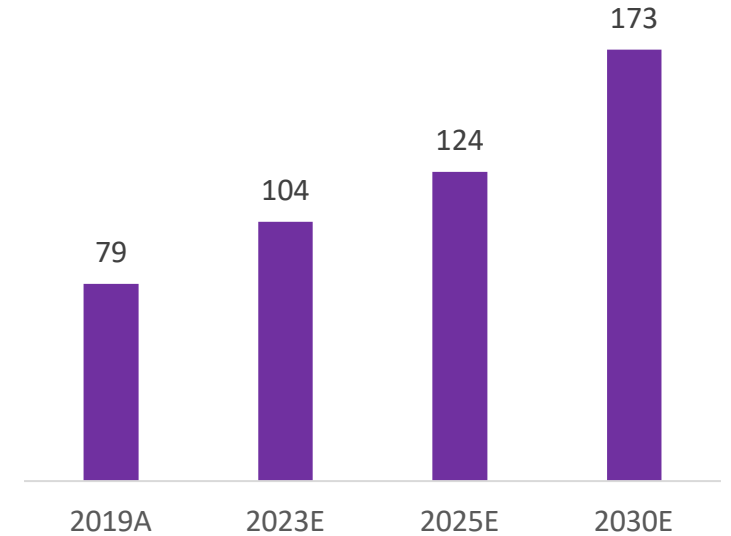


Source: DBEngines

**Supported by:**  
**Increasing cloud adoption, particularly within public cloud environments**

## A Large Addressable Database Management Software Market

Global Database Market (US\$Bn)



The Business Research Company, July 2020

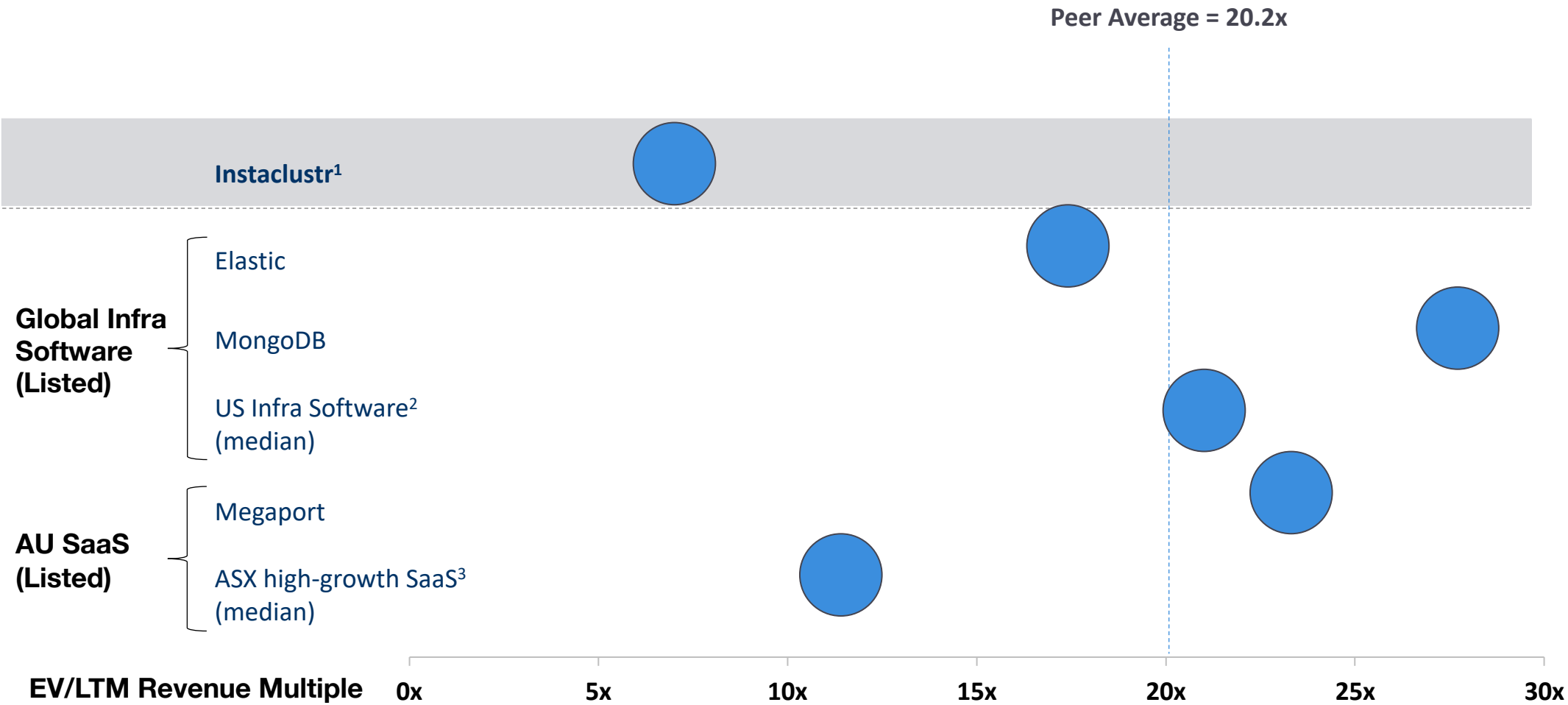
**Need for instantaneous scaling of big data applications with limited investment in hardware.**  
**Increased outsourcing of complex operations**

1. A proprietary multi tech platform
2. Substantial industry tailwinds
  - Big data driving demand for technologies to process and store data
  - Applications and databases moving to the cloud
  - Growing adoption of open-source technologies
3. Long term blue-chip customer relationships
4. Highly attractive financial profile – 90% of revenue is recurring in nature
5. Net revenue retention rates > 100%
6. Extremely attractive characteristics of huge growing addressable market
7. Highly experienced management team
8. Strong IPO candidate – likely priority offer for BTI shareholders



# Instaclustr's comparables show sector dynamics being appreciated by the market

...but not yet factored into BTI's Instaclustr valuation

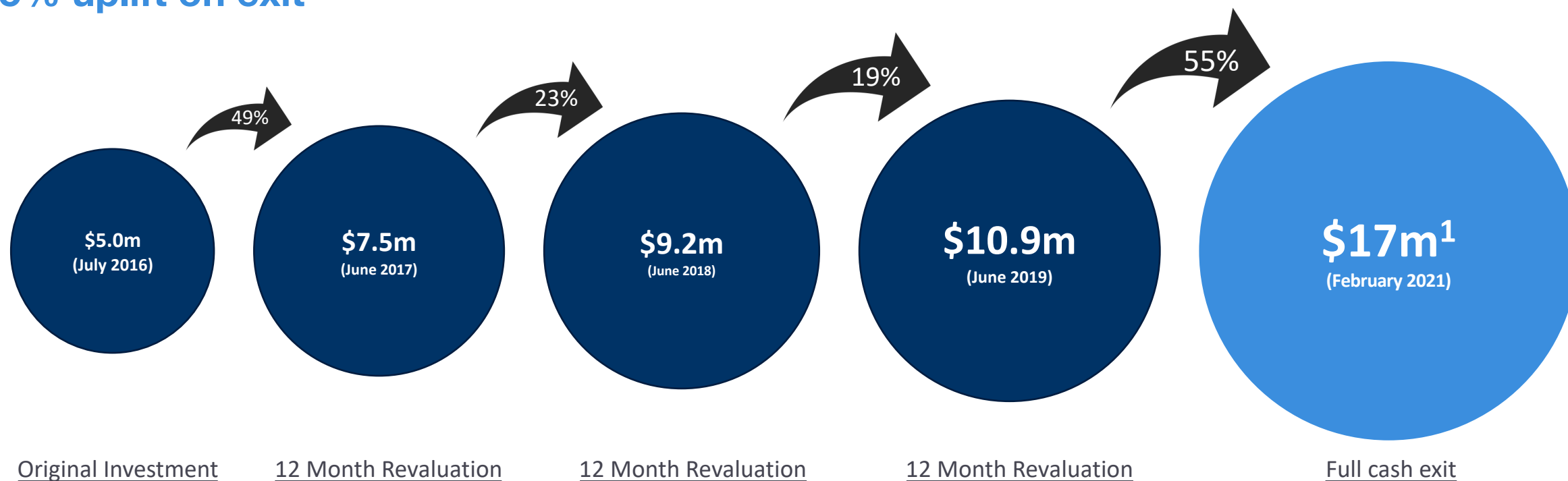


Note: <sup>1</sup>Valuation multiple implied by BTI Carrying value as of 31 March 2021. <sup>2</sup>US infrastructure sector SaaS companies include Datadog, Servicenow, Splunk, Dynatrace and vmware. <sup>3</sup>ASX SaaS companies include Xero, Wisetech, Altium, TechnologyOne, Megaport, Nearmap, Elmo, Volpara, Infomedia, Class, Pro Medicus and Damstra. Source data: Factset data as of 31 March 2021, Company Filings, News Reports, Bailador Analysis.

# News

# DocsCorp exit announced in February 2021

- 30% IRR on investment
- 3.4x cost
- 55% uplift on exit

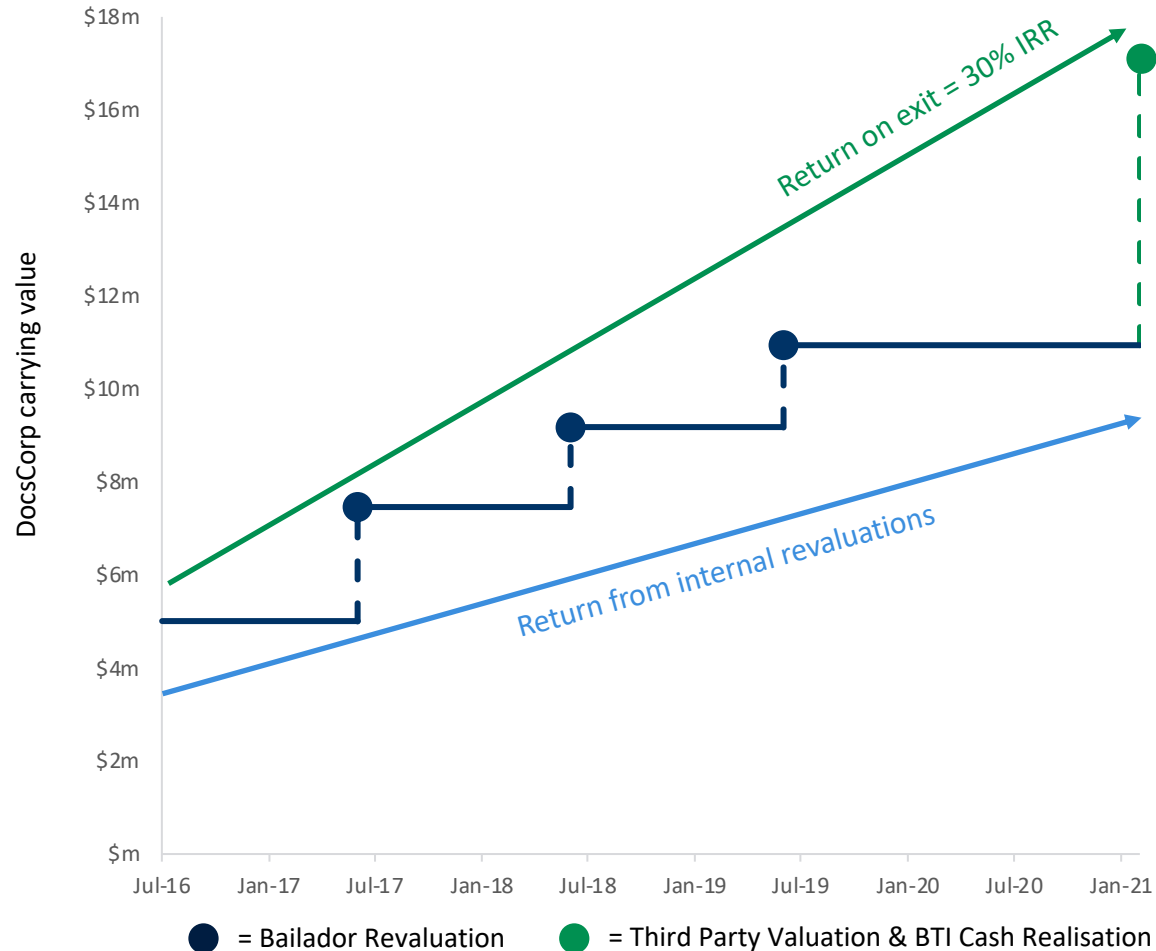


↗ = valuation uplift

Note: <sup>1</sup>The final sale price remains subject to customary post-completion adjustments and transaction costs.

# DocsCorp – The DocsCorp and Bailador partnership

The cash realised for DocsCorp is an uplift on the returns implied by internal valuations during BTI's hold period



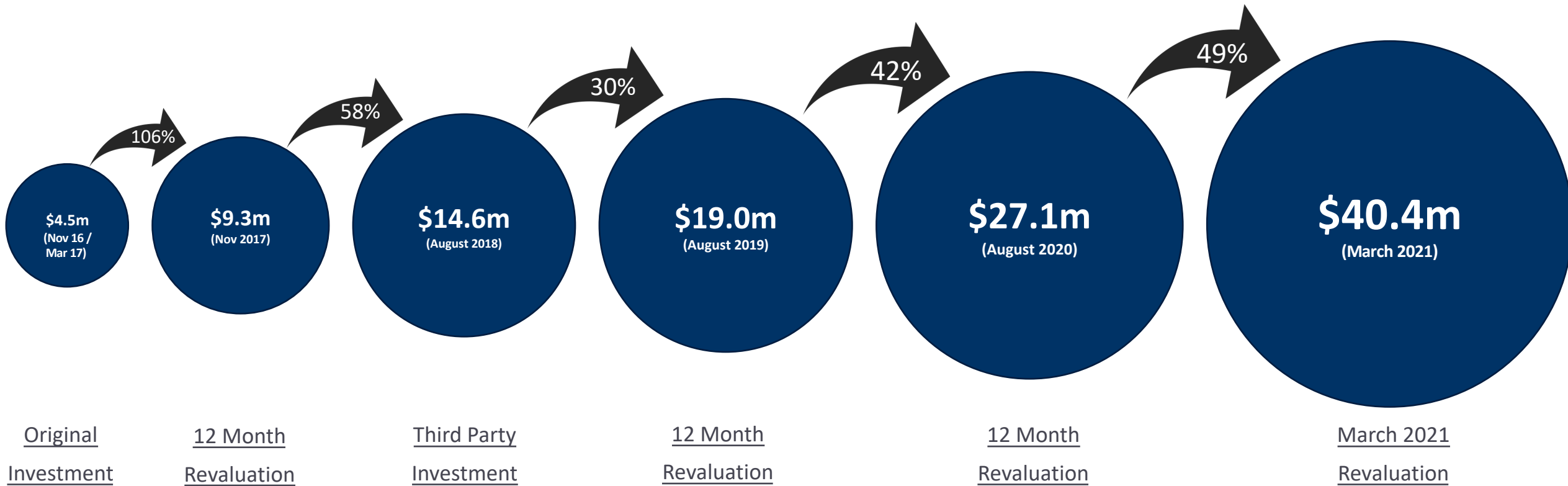
## Working With Management

Over the five-year partnership Bailador was instrumental in:

- Focusing the business on sales effectiveness, unit economics and growth that delivered operating leverage
- Introducing a right-sized board and governance structure that guided the strategic direction of the business within a strong commercial decision making framework
- Developing comprehensive reporting capabilities focussed on the key SaaS performance metrics which drive business performance
- Ensuring DocsCorp was prepared for a sale opportunity with audited financial statements and high quality management reporting

# Instaclustr valuation uplift in March 2021

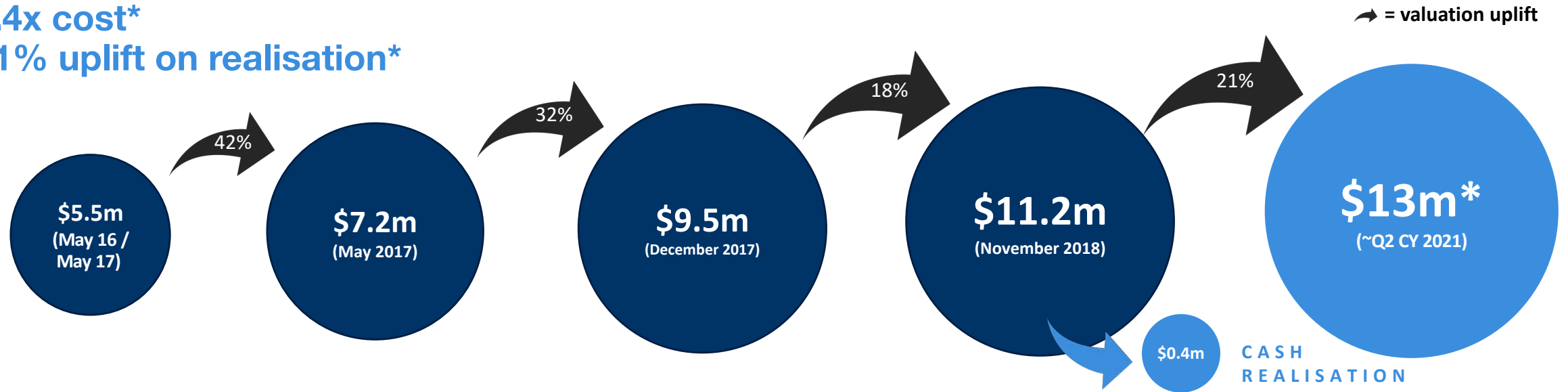
- Effective 65.9% IRR on investment
- 9.0x cost



↗ = valuation uplift

# Lendi cash realisation in Q2 CY2021\*

- 21% IRR on investment\*
- 2.4x cost\*
- 21% uplift on realisation\*



## May 2016 & 2017 Original Investment

- BTI invested \$4.0m in Lendi in May 2016 and a follow on investment of \$1.5m in May 2017

## May 2017 Third Party Investment

- BTI increased the value of its investment based on the third party valuation established as part of Lendi's May 2017 capital raise supported by other existing shareholders

## December 2017 Third Party Investment

- BTI increased the value of its investment based on the third party valuation established as part of Lendi's December 2017 capital raise supported by blue-chip Australian institutions

## November 2018 Third Party Investment

- BTI increased the value of its investment based on the third party valuation established as part of a secondary liquidity facility established by Lendi
- Realised \$0.4m cash as part of this facility.

## Q2 CY2021 Full cash realisation

- BTI has received confirmation that it will realise \$13m in cash proceeds (subject to conditions\*) via a share sale facility established as part of the Lendi/Aussie merger
- This represents a \$2.3m\* carrying value increase or the equivalent of \$0.02\* per share (pre-tax)

\*The final Lendi valuation and cash realisation is conditional upon the timing and successful completion of the Lendi/Aussie merger transaction which is subject to certain condition precedents.

## Bailador has delivered eight partial or full cash realisations



**Cash \$5.0m**  
**7.2x cost**  
**71.1% IRR**  
December 2015



**Cash \$1.2m**  
**1.7x cost**  
**21.5% IRR**  
October 2018



**Cash \$0.4m**  
**2.8x cost**  
**35.4% IRR**  
December 2018



**Cash \$2.0m**  
**2.1x cost**  
**25.0% IRR**  
July 2019



**Cash \$9.9m**  
**19.3x cost**  
**50.5% IRR**  
January 2020



**Cash \$1.1m**  
**0.05x cost**  
February 2021



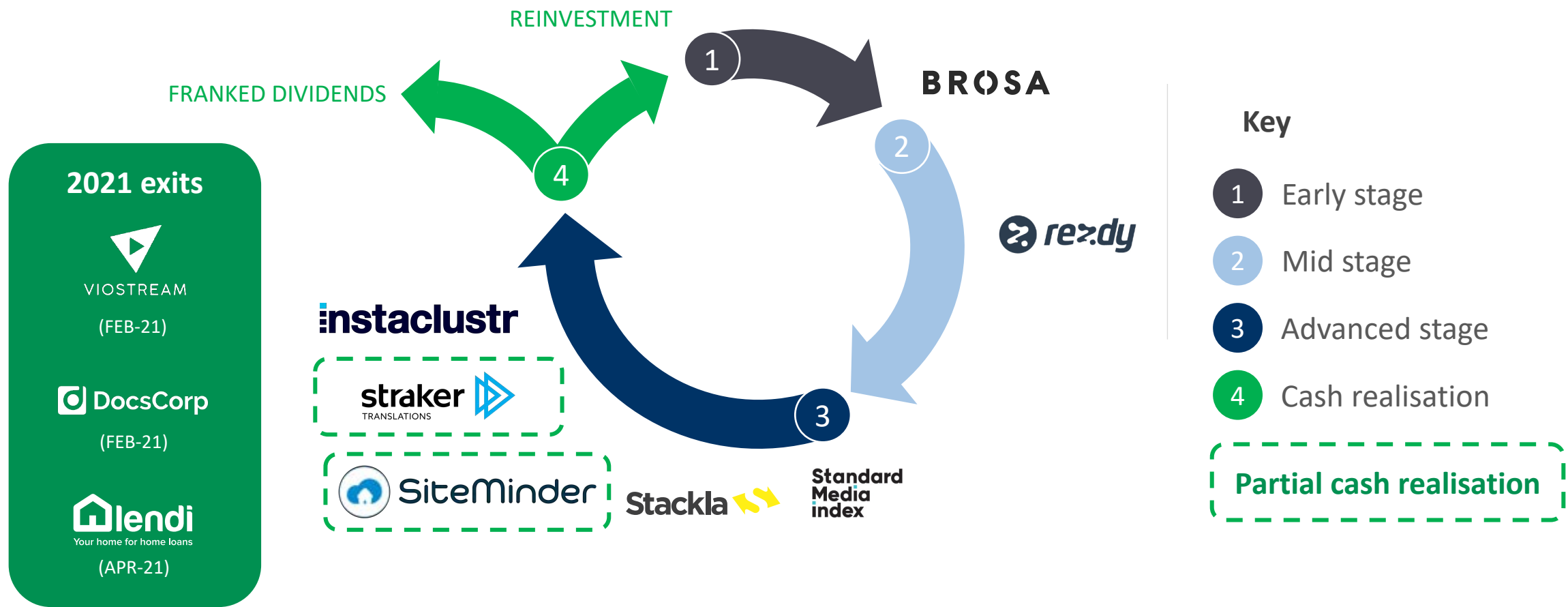
**Cash \$17m**  
**3.4x cost**  
**30.0% IRR**  
February 2021



**Cash \$13m**  
**2.4x cost**  
**21% IRR**  
April 2021\*








# Outlook

# Bailador expects more profitable cash realisations in 2021











Note: Bailador realised its investment in Viostream in early February 2021. Bailador agreed to sell its investment in DocsCorp on 24 February 2021. Bailador realisation of 100% of Lendi investment confirmed on 21 April 2021, however remains subject to successful completion of Lendi's merger with Aussie Home Loans.

# Bailador March 2021 NTA and pro-forma April 2021 NTA

PORTFOLIO COMPANY	VALUATION (\$m)			NTA PER SHARE (\$/share)			THIRD PARTY TRANSACTION	NEXT VALUATION REVIEW
	MAR-21 (ACTUAL)	PRO-FORMA MVMT	APR-21 (PRO-FORMA)	MAR-21 (ACTUAL)	PRO-FORMA MVMT	APR-21 (PRO-FORMA)		
 SiteMinder	82.5	-	82.5	0.67	-	0.67	✓	June 2021
 instaclustr	40.4	-	40.4	0.33	-	0.33		March 2022
 Stackla	11.5	-	11.5	0.09	-	0.09		September 2021
 lendi <small>Your home for home loans</small>	10.7	+2.3	13.0	0.09	+0.02	0.11	✓	n/a - exited
 Standard Media index	9.6	-	9.6	0.08	-	0.08		June 2021
 straker <small>TRANSLATIONS</small>	9.4	+0.9	10.3 <sup>2</sup>	0.08	+0.01	0.09	✓	Mark to market each month <sup>1</sup>
 rezdy	5.7	-	5.7	0.05	-	0.05		June 2021
<b>BROSA</b>	3.0	-	3.0	0.02	-	0.02	✓	October 2021
Cash	17.1	-0.9	16.2	0.14	-0.01	0.13		
Other	-4.6	+0.1	-4.5	-0.04	-	-0.04		
<b>Total NTA</b>	<b>185.3</b>	<b>+2.3</b>	<b>187.6</b>	<b>1.51</b>	<b>+0.02</b>	<b>1.53</b>		

Valuations are marked to market at third party transactions, then reviewed 12 months following

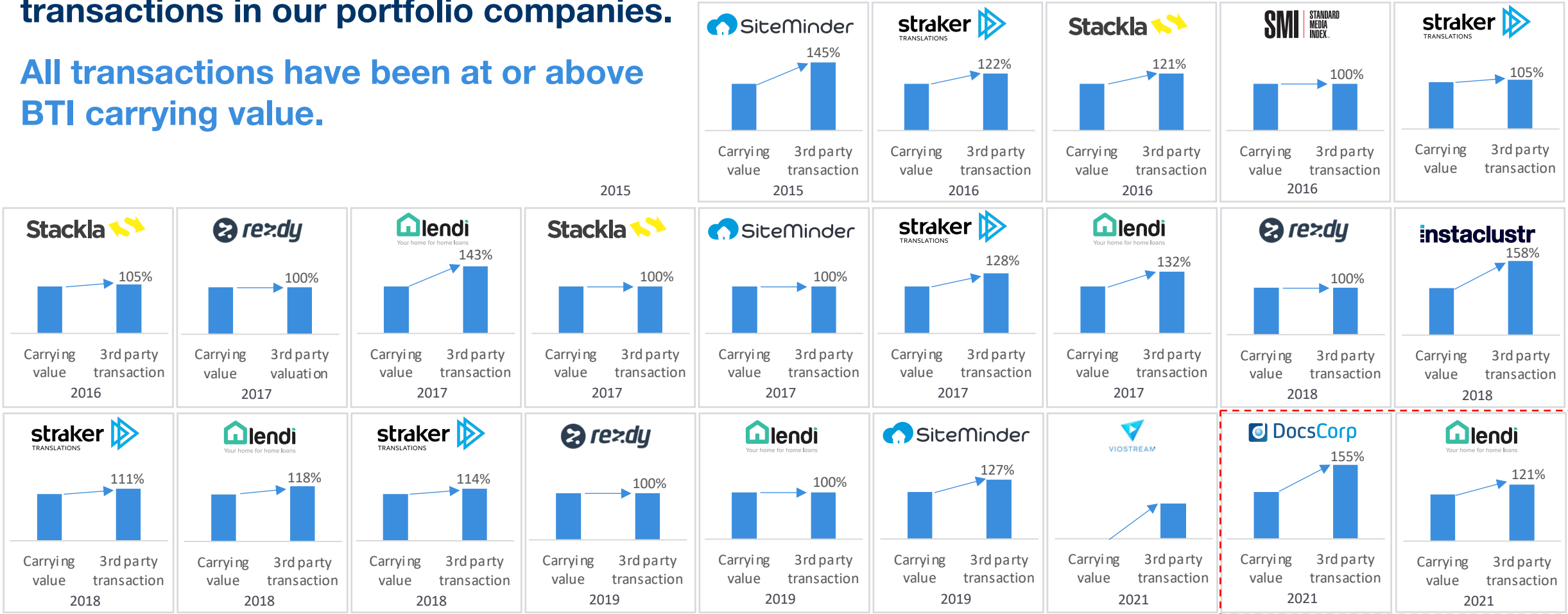
# The portfolio is positioned for further gains across a number of companies

Portfolio Company	Valuation <sup>1</sup>	%NTA	Comment
 SiteMinder	\$82.5m	45%	<ul style="list-style-type: none"> <li>Strategic position strengthened</li> <li>Strong 2021/22 IPO candidate - likely priority offer for BTI shareholders</li> </ul>
 instaclustr	\$40.4m	22%	<ul style="list-style-type: none"> <li>Likely follow-on investment (&lt;\$5m) in FY21</li> <li>Strong 2021 IPO candidate (advisors appointed) - likely priority offer for BTI shareholders</li> </ul>
 Stackla	\$11.5m	6%	<ul style="list-style-type: none"> <li>High likelihood of transformational cross-border merger in FY21</li> </ul>
 lendi <small>Your home for home loans</small>	\$10.7m	6%	<ul style="list-style-type: none"> <li>Entered arrangement to realise 100% of investment for \$13m<sup>2</sup></li> <li>Implies 21% uplift to Mar-21 carrying value<sup>2</sup></li> </ul>
 Standard Media Index	\$9.6m	5%	<ul style="list-style-type: none"> <li>Continued profitable growth</li> <li>Strong interest from financial and strategic groups</li> </ul>
 straker <small>TRANSLATIONS</small>	\$9.4m	5%	<ul style="list-style-type: none"> <li>Targeting NZ\$100m revenue in 3yrs</li> </ul>
 rezydy	\$5.7m	3%	<ul style="list-style-type: none"> <li>Potential for follow-on investment CY21</li> </ul>
 BROSA	\$3.0m	2%	<ul style="list-style-type: none"> <li>Beneficiary of digital acceleration</li> </ul>

# Our NTA valuations are validated by third party transactions

There have been 23 third party transactions in our portfolio companies.

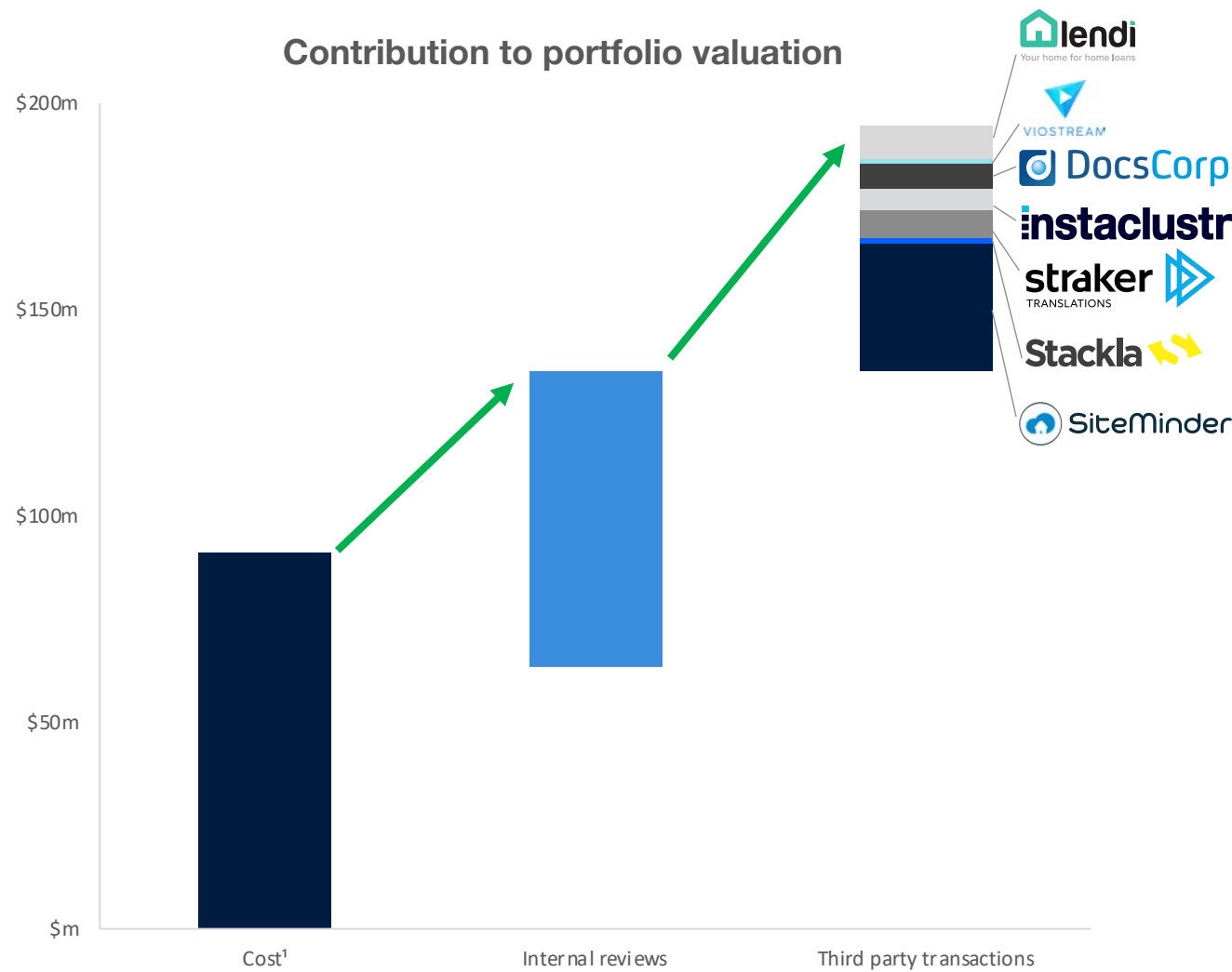
All transactions have been at or above BTI carrying value.



# Portfolio valuation uplift driven largely by third party transactions

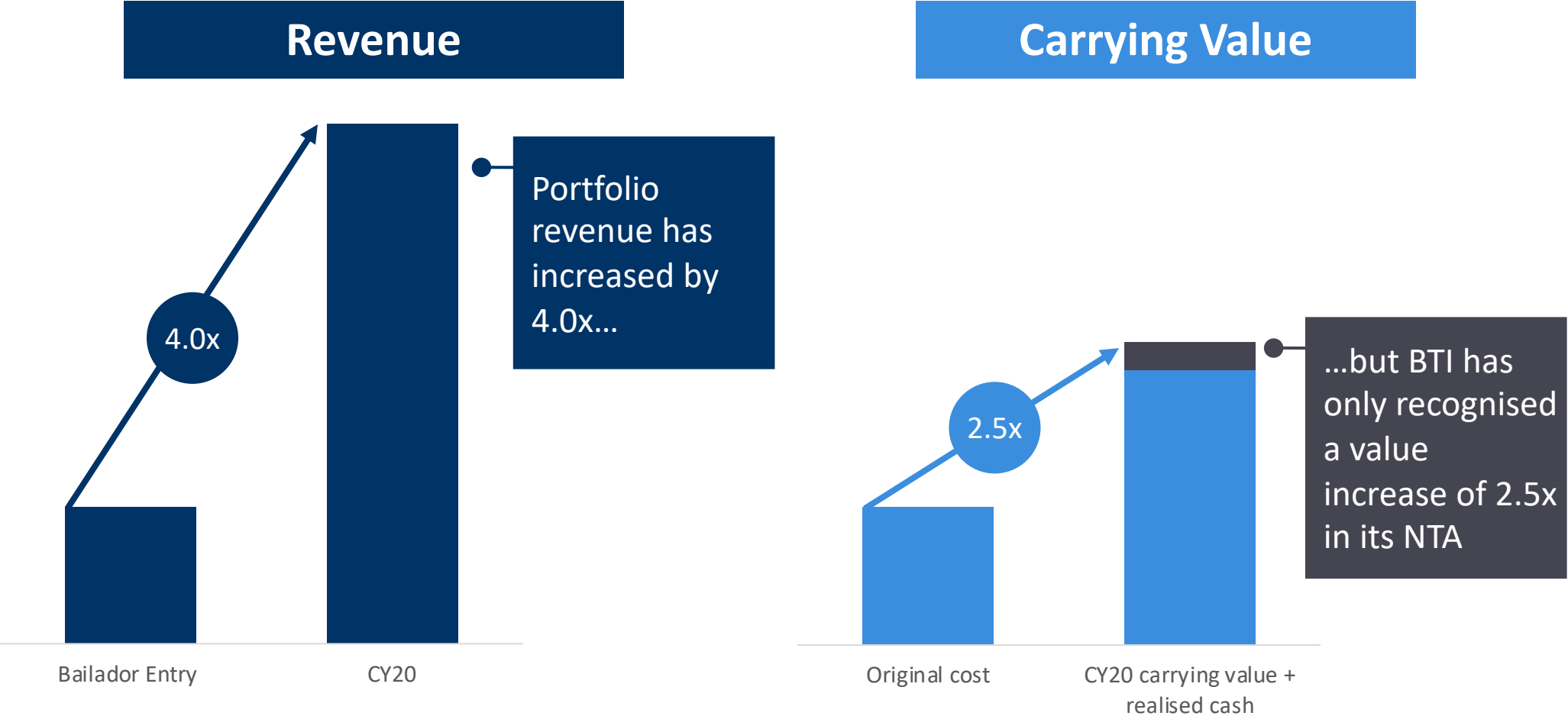
**Bailador will examine internal revaluation of investment positions if it has been 12 months since a third party transaction.**

Those revaluations have proven conservative with third party transactions providing further valuation uplift.



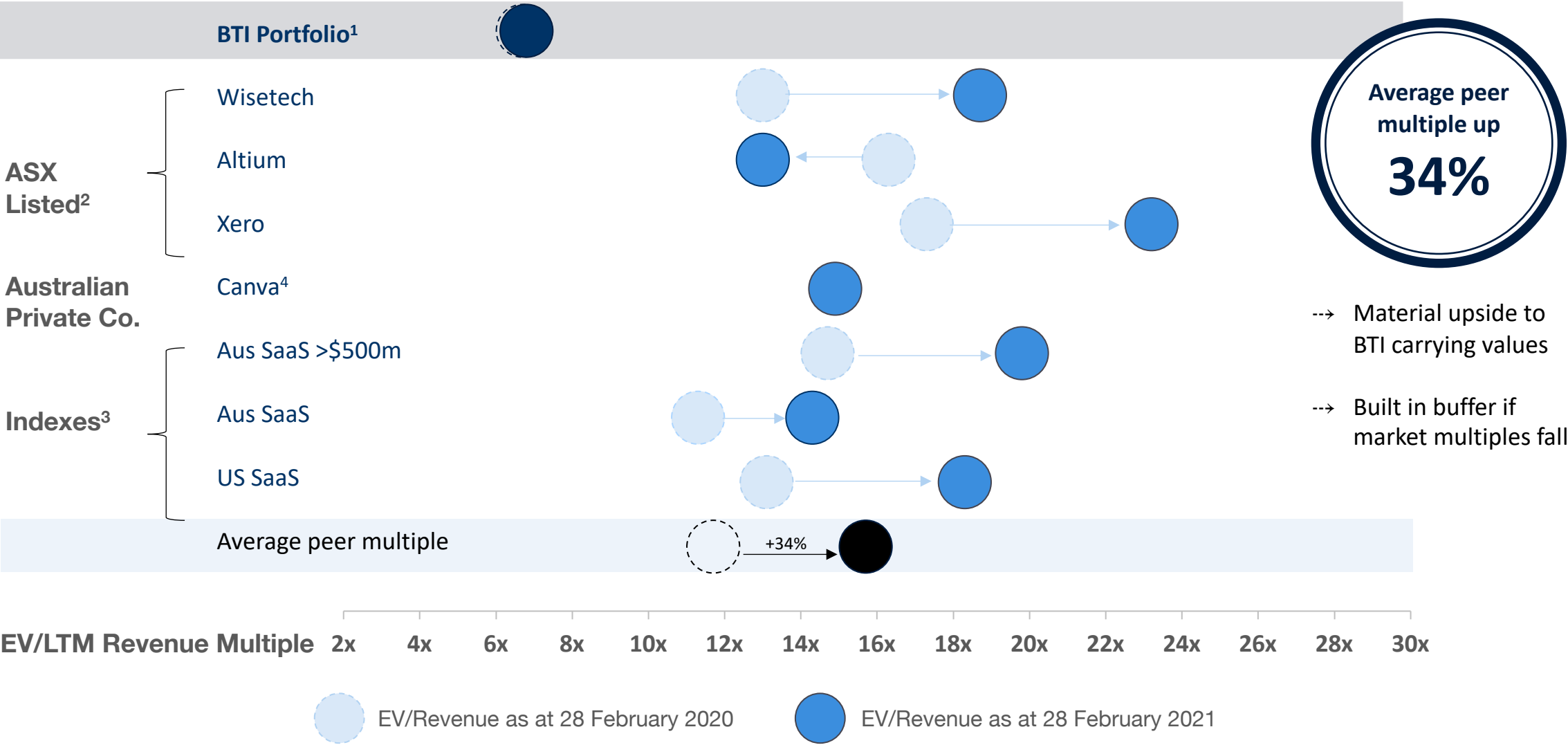
Note: ¹Cost is the total original cash cost of investment.

# The growth in carrying value of BTI's investments is conservative in comparison to the revenue growth in the portfolio



Note: Revenue for the year ended 31 December 2020 and carrying values as at 31 December 2020 for the underlying companies in the BTI portfolio.

# Tech valuations have increased, but BTI has maintained a conservative approach

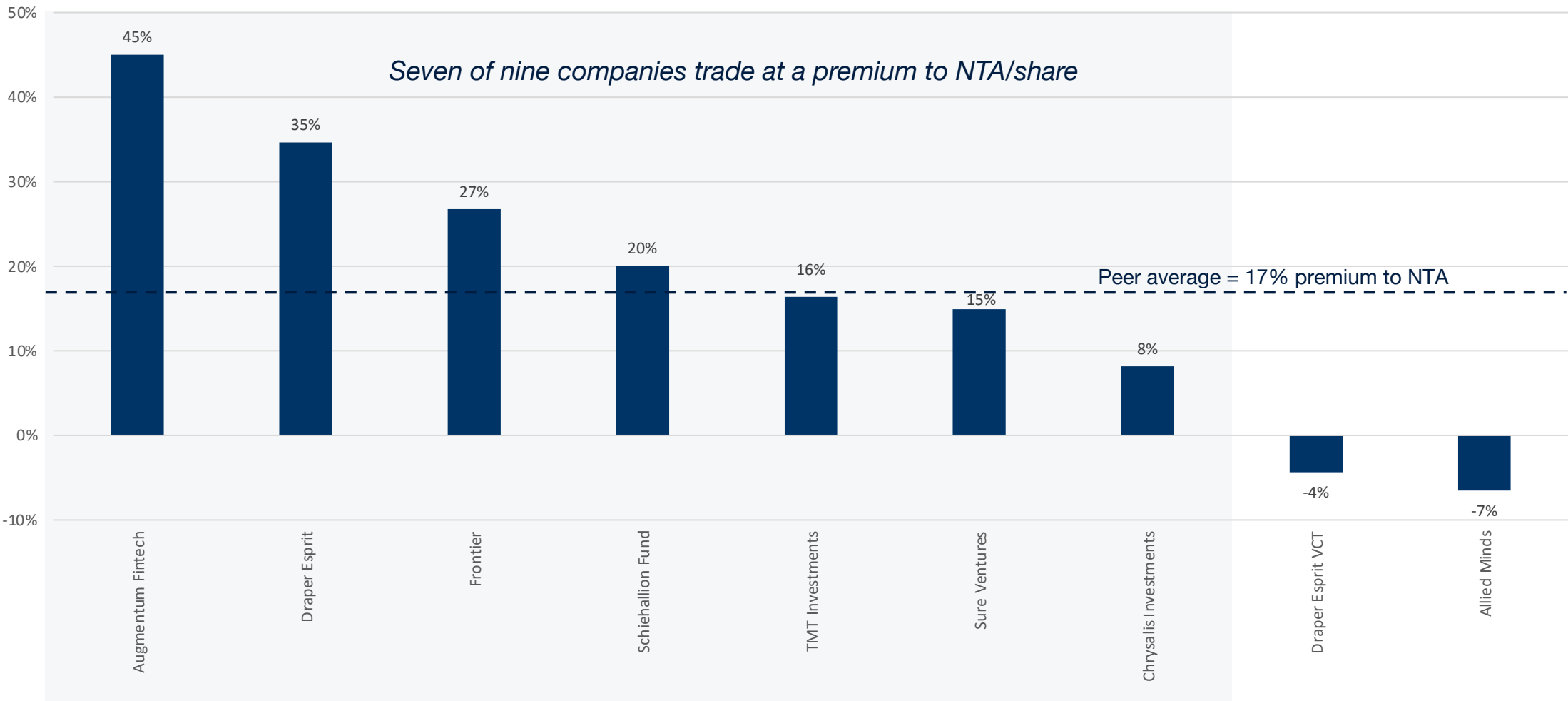


Note: <sup>1</sup>Based on BTI NTA as at 28 February 2021. Source: <sup>2</sup>Factset, 28 February 2021. <sup>3</sup>BTI analysis, 28 February 2021. <sup>4</sup>News articles and BTI analysis.

# BTI's UK-based comparables trade at an average 17% premium to NTA/share

A track record of cash realisations higher than carrying value warrants a share price premium to NTA

Premium/discount to NTA per share



Note: UK-listed LICs comps all i) invest in high-growth, private-stage technology companies; ii) value their portfolio periodically on a NTA basis; and iii) investors gain access through a publicly traded ordinary share, at a price determined by market trading. Source data: London Stock Exchange data as at 31 March 2021, Company Filings, News Reports, Bailador Analysis.

## Bailador Founders

*“We are very pleased with the performance of the portfolio during a tumultuous period. No emergency capital raisings were required, and the businesses all have healthy sustainable models. The quality of the businesses and management teams has the portfolio well positioned for continued growth.”*

**David Kirk**

Bailador Co-Founder & Managing Partner

HY21 results announcement, 12 February 2021

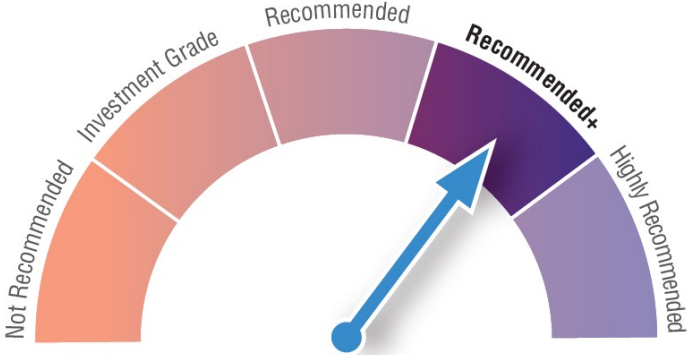
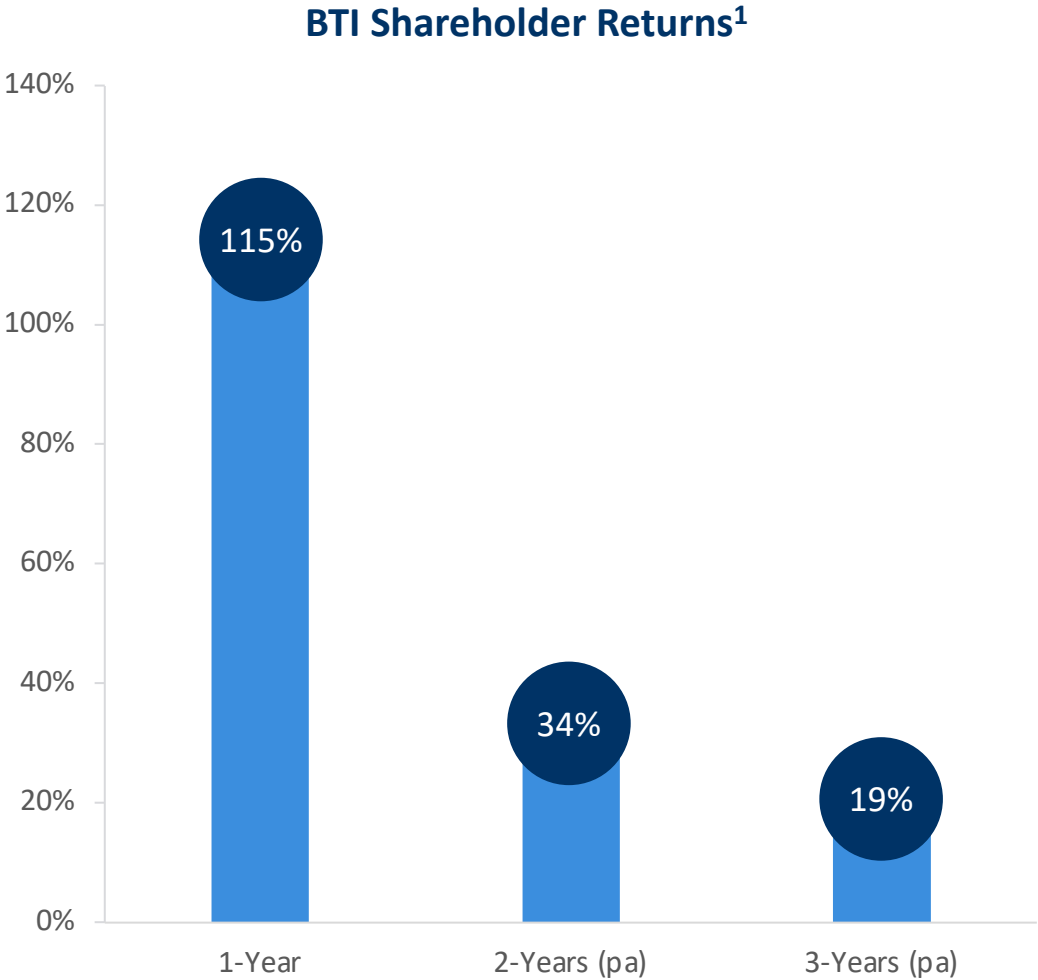
*“A number of our Bailador portfolio companies represent attractive acquisition targets or IPO candidates. Harvesting gains is a key element of our business, and we are aiming to provide significant positive news to the market on these companies during the coming months.”*

**Paul Wilson**

Bailador Co-Founder & Managing Partner

HY21 results announcement, 12 February 2021

# Bailador is rated ‘Recommended+’ by IIR



Annual Returns <sup>2</sup>	1-yr	2-yr (pa)	3-yr (pa)
NTA	22.1%	14.8%	12.9%
NTA/sh (pre-tax)	22.8%	13.6%	12.1%
BTI Shareholders	115.4%	33.8%	19.1%

Note: <sup>1</sup>Represents the annual average return to BTI shareholders derived from capital growth in BTI shareprice plus any cash dividends paid during the period. <sup>2</sup>Annual returns calculated as at 31 March 2021.

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 [ASX:BTI]**

# Capital Raising

# Capital Raising Overview

## Capital Raising

- > Institutional placement raising \$20 million
- > Bailador will also offer a non-underwritten share purchase plan of \$30,000 per existing eligible shareholder

## Pricing

Offer price of \$1.37 represents:

- > A 4.9% discount to BTI's last traded price on 26-Apr-21
- > A 4.5% discount to the 5-day volume weighted average price of BTI shares as at 26-Apr-21
- > A 10.5% discount to BTI's pro-forma Apr-21 NTA per share

## Uses of Capital

Following the Capital Raising, Bailador intends to use available cash to generate investment returns from:

1. New investments (Bailador is in advanced discussions with a number of parties)
2. Follow-on investments with existing portfolio companies

# Offer structure

Structure	<ul style="list-style-type: none"><li>• Non-underwritten Institutional Placement (<b>Placement</b>) to raise \$20 million</li><li>• Non-underwritten Share Purchase Plan (<b>SPP</b>) offering \$30,000 per existing eligible shareholder</li></ul>
Placement	<ul style="list-style-type: none"><li>• The Placement is non-underwritten and managed by Morgans Corporate Limited</li><li>• New shares issued under the Placement will be issued at \$1.37 per new share (<b>Placement Price</b>)</li><li>• The Placement Price represents:<ul style="list-style-type: none"><li>• A 4.9% discount to BTI's last traded price on 26-Apr-21</li><li>• A 4.5% discount to the 5-day volume weighted average price of BTI shares as at 26-Apr-21</li><li>• A 10.5% discount to BTI's pro-forma Apr-21 NTA per share</li></ul></li><li>• Approximately 14.6 million new ordinary shares will be issued under the Placement, representing 11.9% of BTI's existing shares on issue (<b>New Shares</b>)</li><li>• It is intended that eligible shareholders who bid for up to their 'pro-rata' share of New Shares under the Placement at the Placement Price will be allocated their full bid, on a best endeavours basis</li><li>• New Shares are not subject to shareholder approval and will be issued under BTI's existing placement capacity. BTI may accept oversubscriptions up to its current placement capacity</li></ul>
Share Purchase Plan	<ul style="list-style-type: none"><li>• The SPP is non-underwritten and managed by Bailador Technology Investments Limited</li><li>• BTI will offer eligible shareholders the opportunity to subscribe for new shares up to a maximum of \$30,000 per eligible shareholder under the SPP, free of brokerage, commission and transaction costs</li><li>• New shares under the SPP will be issued at the Placement Price</li><li>• SPP offer booklet expected to be sent to eligible shareholders on 6 May 2021</li><li>• SPP offer is expected to open on 6 May 2021</li></ul>
Ranking	<ul style="list-style-type: none"><li>• New Shares issued under both the Placement and SPP will rank equally with existing BTI shares from the date of their issue</li></ul>

# Indicative Timetable

Institutional Placement	Date
Announcement of completion of Placement	28 April 2021
Settlement of New Shares under the Placement	4 May 2021
Allotment and commencement of trading of New Shares issued under Placement	5 May 2021

SPP	Date
Record date for participation	27 April 2021
Dispatch of SPP documents to shareholders	6 May 2021
SPP Offer opens	6 May 2021
SPP Offer closes	18 May 2021
Company Closure Announcement	21 May 2021
Shortfall notification date (if applicable)	24 May 2021
Settlement of SPP shares	26 May 2021
Allotment of New Shares issued under SPP	27 May 2021
Expected quotation on the ASX and normal trading of new shares under the SPP commences	28 May 2021
Dispatch of allotment confirmations / holding statement for New Shares	28 May 2021

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## FURTHER INFORMATION

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Bailador Technology Investments Limited (ASX:BTI)

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