

# Annual General Meeting Chairman's Address

25 October 2017

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Bailador Technology Investments Limited (ASX:BTI)

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Bailador provides unique exposure to a portfolio of **information technology** companies with **global** addressable markets.

We invest in **private** companies at the **expansion-stage** utilising **extensive downside protection**.

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



## 2017 Performance

- ⇒ Continued strong performance by the portfolio
  - 6 investments increased in value (at an average of 27%)
  - 2 were held flat (one because yet to be held 12 months)
  - 2 declined in value
- ⇒ Continued development and growth of the investment team
- ⇒ Opened an office in USA – particularly valuable for exits
- ⇒ Two additions to the portfolio
- ⇒ No exits in the year
- ⇒ One investment written off

# 2017 v 2016 Financial Performance

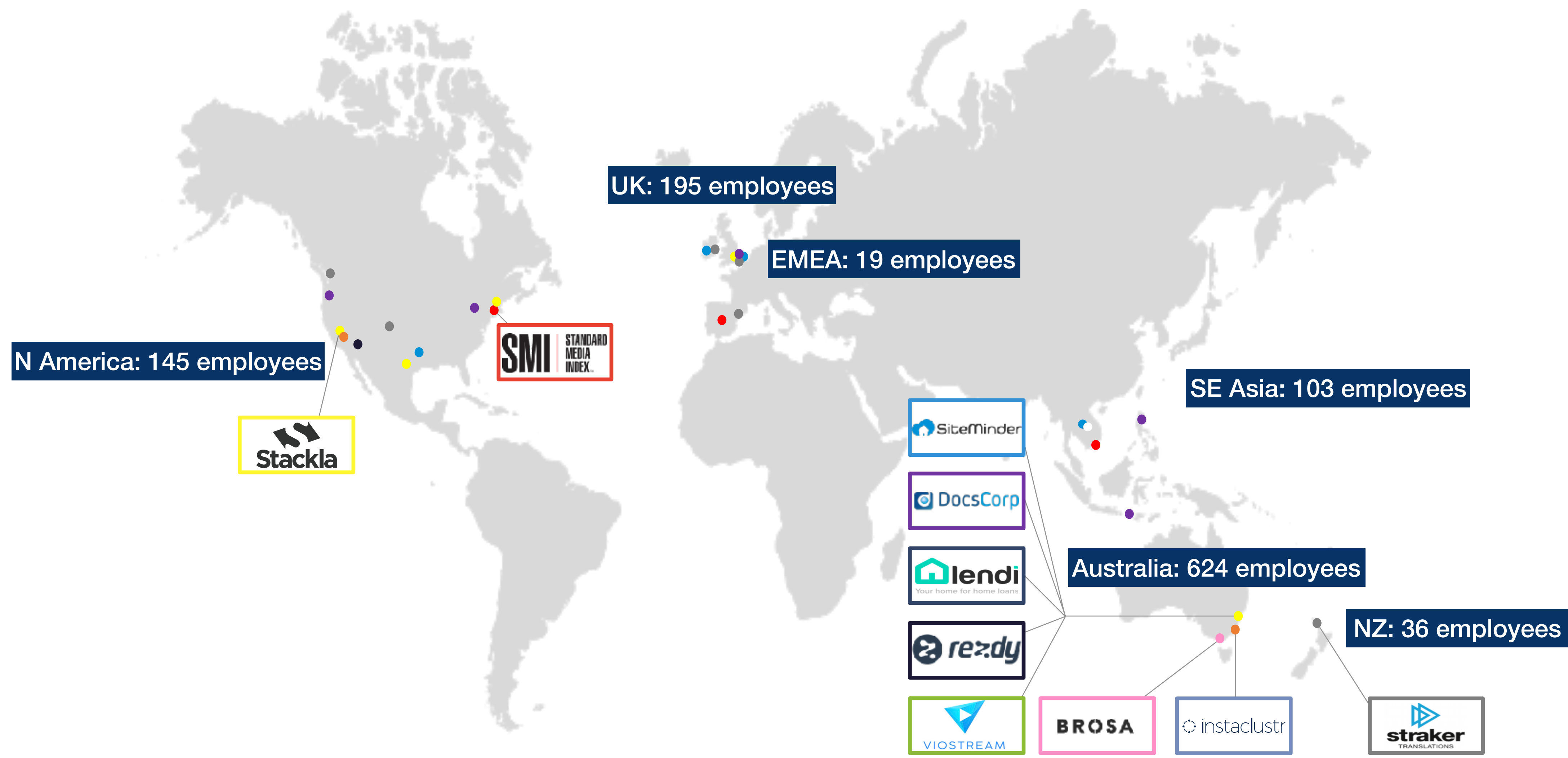
|                                     | FY 2016 | FY 2017 |
|-------------------------------------|---------|---------|
|                                     | \$000   | \$000   |
| Change in value of portfolio assets | 18,152  | (4,158) |
| Management fee                      | 1,585   | 2,316   |
| Performance fee                     | 2,978   | -       |
| Total fees                          | 4,563   | 2,316   |
| Other costs                         | 1,224   | 956     |
| Profit after tax                    | 8,864   | (4,965) |

# Change in Value of Investments

|   | 30 June<br>2016<br>\$m | Additional<br>Investment<br>\$m | Valuation<br>Movement<br>\$m | 30 June<br>2017<br>\$m | Net<br>Movement<br>\$m |
|---|------------------------|---------------------------------|------------------------------|------------------------|------------------------|
| <b>Six investments increased in value</b> |                        |                                 |                              |                        |                        |
| SiteMinder                                | 31.3                   | 0.0                             | 9.2                          | 40.5                   | <b>9.2</b>             |
| Stackla                                   | 7.4                    | 4.8                             | 0.4                          | 12.6                   | <b>5.1</b>             |
| Straker                                   | 4.6                    | 3.8                             | 0.3                          | 8.7                    | <b>4.1</b>             |
| DocsCorp                                  | 0.0                    | 5.0                             | 2.5                          | 7.5                    | <b>7.5</b>             |
| Lendi                                     | 4.0                    | 1.5                             | 1.7                          | 7.2                    | <b>3.2</b>             |
| Rezdy                                     | 2.7                    | 1.1                             | 0.8                          | 4.5                    | <b>1.8</b>             |
| <b>Two investments no change in value</b> |                        |                                 |                              |                        |                        |
| SMI                                       | 5.5                    | 1.9                             | 0.0                          | 7.4                    | <b>1.9</b>             |
| Instaclustr                               | 0.0                    | 4.5                             | 0.0                          | 4.5                    | <b>4.5</b>             |
| <b>Two investments declined in value</b>  |                        |                                 |                              |                        |                        |
| Viostream                                 | 28.5                   | 1.0                             | (6.5)                        | 23.0                   | <b>(5.5)</b>           |
| iPro                                      | 8.5                    | 4.1                             | (12.5)                       | 0.0                    | <b>(8.5)</b>           |
| <b>Total portfolio</b>                    | <b>92.4</b>            | <b>27.6</b>                     | <b>(4.2)</b>                 | <b>115.9</b>           | <b>23.5</b>            |
| Cash                                      | 27.8                   |                                 |                              | 12.5                   | <b>(15.3)</b>          |
| Other                                     | (2.7)                  |                                 |                              | (0.1)                  | <b>2.6</b>             |
| <b>NTA pre-tax</b>                        | <b>117.5</b>           |                                 |                              | <b>128.3</b>           | <b>10.8</b>            |

# A portfolio with a demonstrated global market

BTI's portfolio is headquartered in three countries with offices in 13 countries, across 25 cities and employing a total of 1,100 people (2016:815)



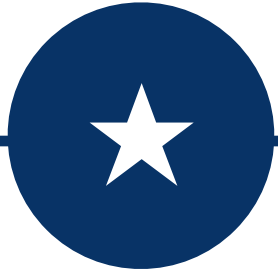
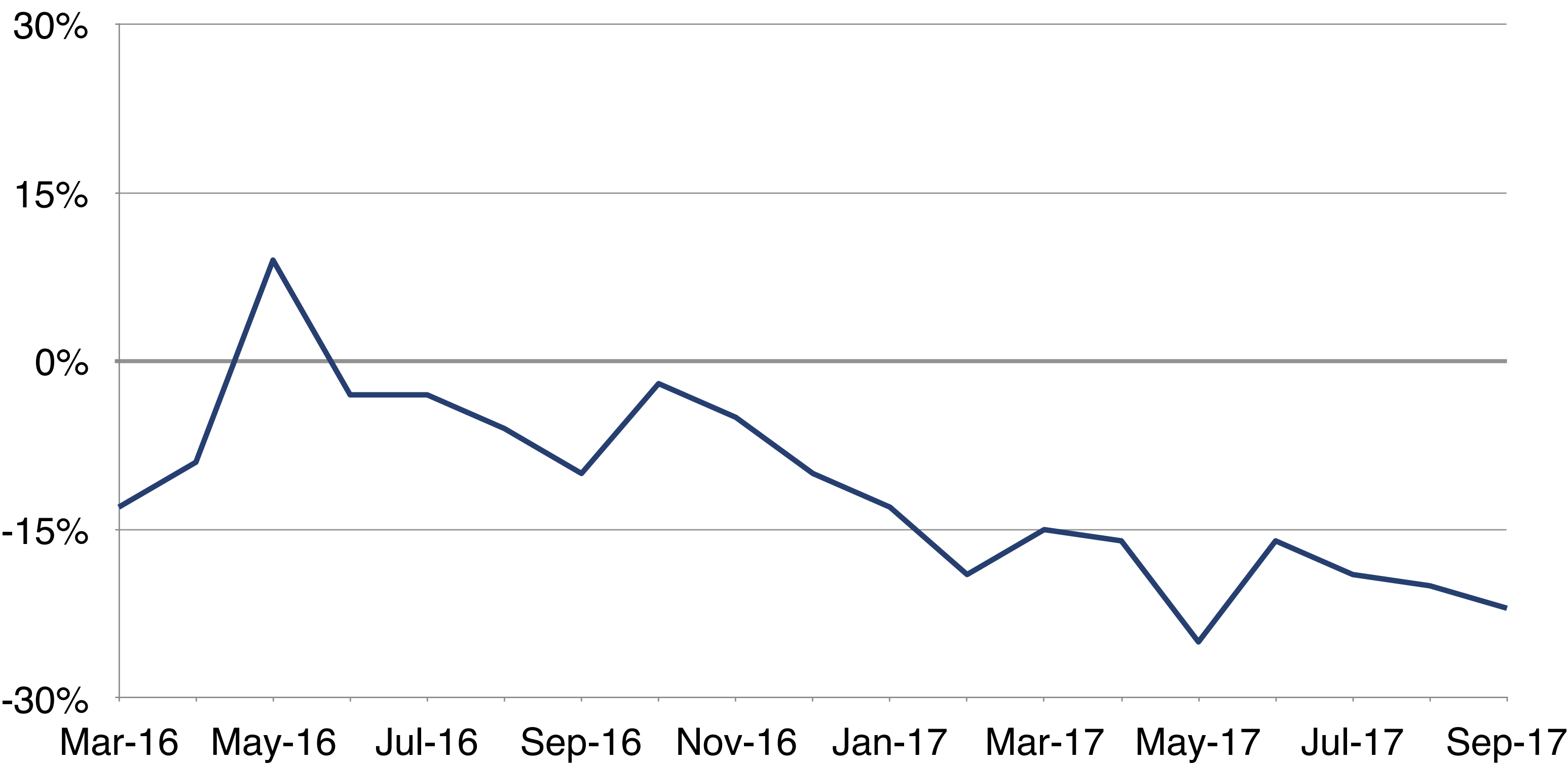
# Outlook

- 1 Internet, mobile and related information technology continues to transform virtually all industries
- 2 The Bailador portfolio companies continue to grow rapidly into large addressable markets
- 3 Bailador portfolio companies all operate market leading, robust and scalable technologies
- 4 Manager focus is on working closely with portfolio companies to increase growth, improve market position and multiply value

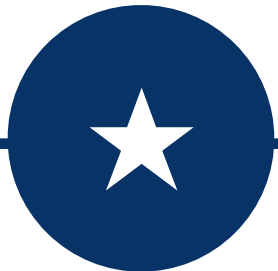


# Discount to NTA

The BTI discount to NTA has increased



Investment returns will be determined by the underlying performance of portfolio companies



We expect the discount to NTA to close rapidly as we achieve profitable exits



**Paul Wilson**  
Co-Founder & Managing Partner


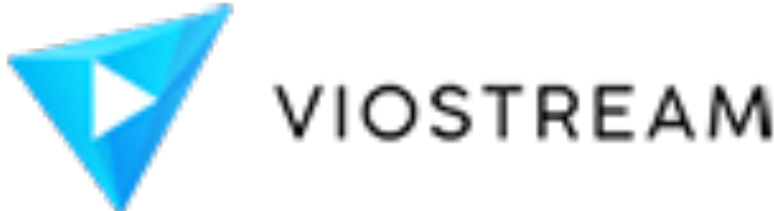








# Bailador Portfolio

**Bailador Technology Investments Limited (ASX:BTI)**

# The BTI portfolio

Combined revenue of the BTI portfolio is over \$150m



|   |  |   |  |   |
|---|--|---|--|---|
|  <p>Channel management and distribution solutions for online hotel and accommodation bookings</p> |  <p>Enterprise SaaS platform for sourcing, management and secure distribution of video content to any audience</p> |  <p>Social marketing platform sourcing and integrating User Generated Content (UGC) across the marketing stack</p> |  <p>Hybrid machine and crowd-sourced human translation platform in more than 80 languages</p> |  <p>Desktop and cloud-based productivity software with over 300,000 end users</p>                                      |
|  <p>Independent aggregator of a unique source of advertising data in 53 countries</p>          |  <p>End-to-end home loan platform and mortgage product in multi-billion dollar sector</p>                        |  <p>Online platform for Tours &amp; Activities and B2B marketplace aggregating for resellers</p>                 |  <p>Open-source managed solution and data platform for big data companies</p>               |  <p>Digitally native, vertically-integrated designer furniture company addressing the \$13bn Australasian market</p> |



**FY17 Valuation**  
↑ 29%

**BTI cost**  
\$13.8m

**Current value**  
\$40.5m

**Date invested**  
April 2012  
IPO Foundation Investment

**The business**

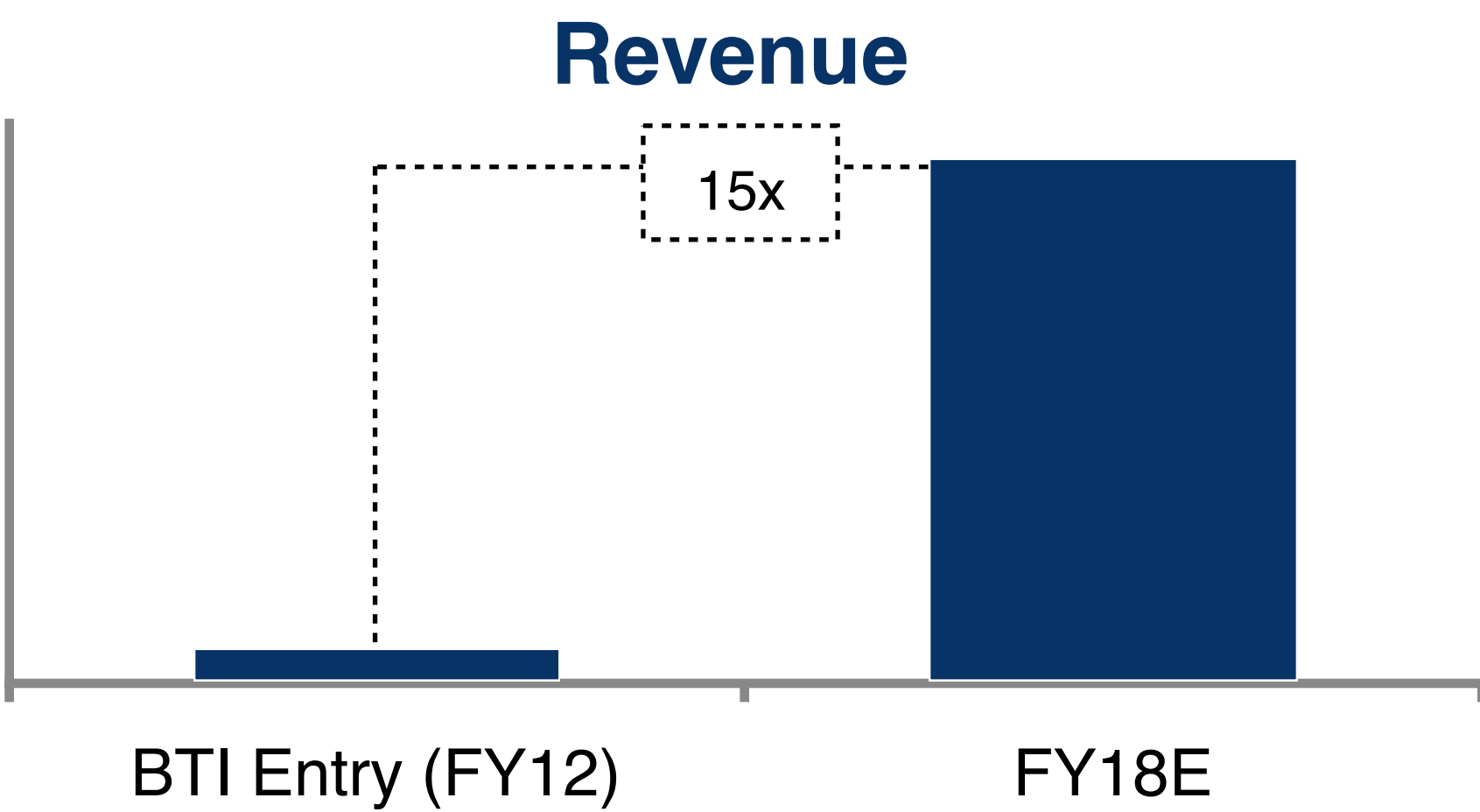
- World-leader in hotel channel management and distribution solutions for online accommodation bookings
- Established customer base of over 26,000 hotels (world’s largest)
- Recurring subscription revenue model
- Proven international expansion (already -75% of revenue is international)

**What excites us**

- The world leader in its space for technology, market position, and scale – triple its nearest competitor
- The travel industry is a huge market being disrupted by technology. SiteMinder has the capacity to become an extremely large company
- Given its SaaS business model, the company produces very consistent top-line growth
- Exceptional management team

**Exit**

- Logical acquisition for a number of large tech companies including Priceline, Expedia, Oracle, Google, AirBnB, TripAdvisor
- IPO ready
- Likely exit 1 – 3 years



World leader with consistent rapid growth ahead





**FY17 Valuation**

↓ 23%

**BTI cost**

\$24.9m

**Current value**

\$24.1m

**Date invested**

December 2010

IPO Foundation Investment

**The business**

- Cloud-based video management, storage and distribution platform
- Helps enterprises harness the power of video to enhance employee engagement and productivity
- Blue chip government and corporate customer base
- Successful transition from bespoke development to enterprise recurring SaaS licence fee model

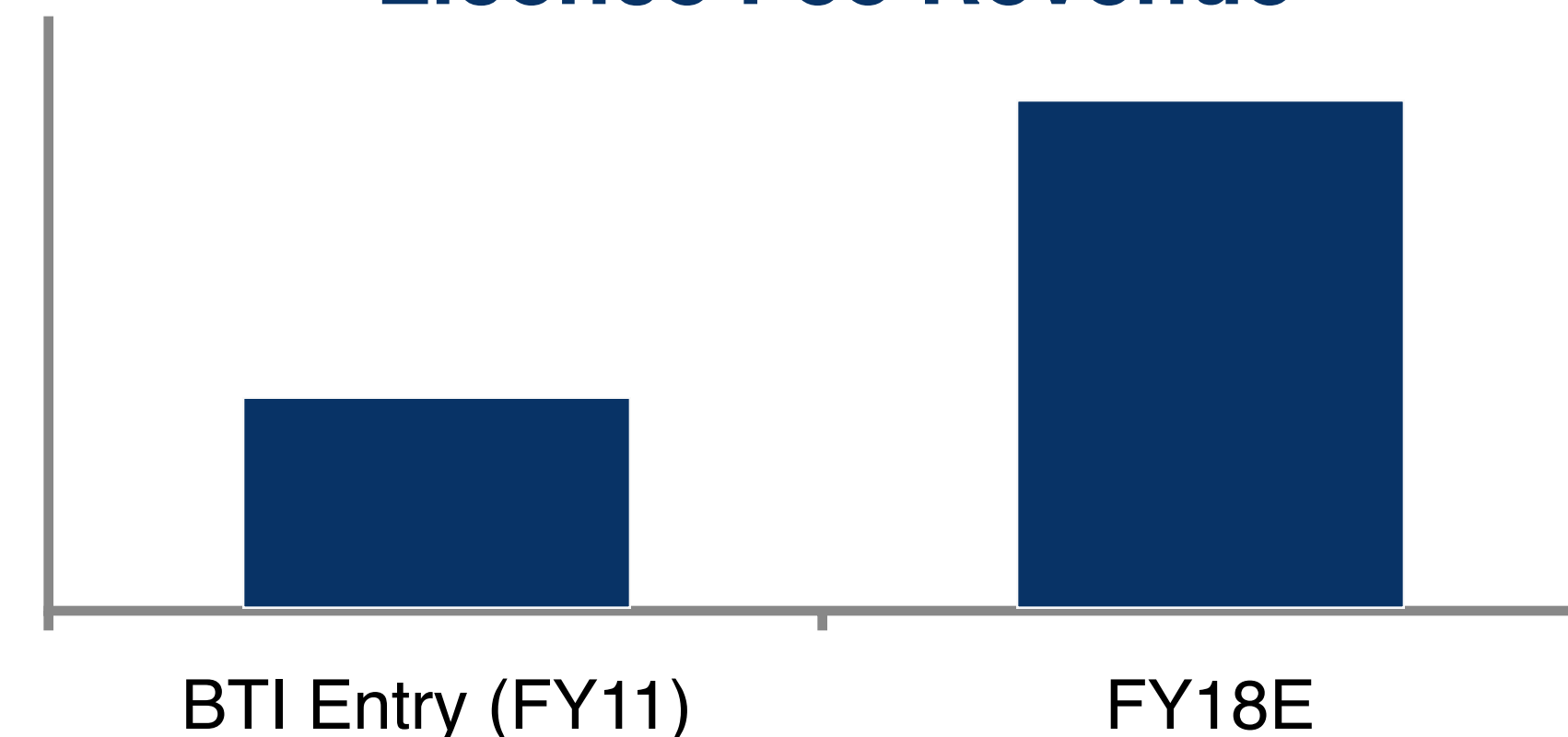
**What excites us**

- Well positioned to capitalise on the strong growth of video as a communications medium
- A high quality customer base with a strong focus on the Government sector
- Committed management team focussed on the right areas and managing costs
- The right business model – almost entirely cloud based recurring licence and webcasting revenue

**Exit**

- Logical acquisition target for a systems integrator, global consulting firm, telco/ infrastructure provider or adjacent video provider
- Exit likely in 1 – 2 years

**Licence Fee Revenue**



Viostream is well aligned to the strong growth in digital video but enterprise sales are lumpy

**FY17 Valuation**  
↑ 5%

**BTI cost**  
\$11.2m

**Current value**  
\$12.6m

**Date invested**  
September 2015

**The business**

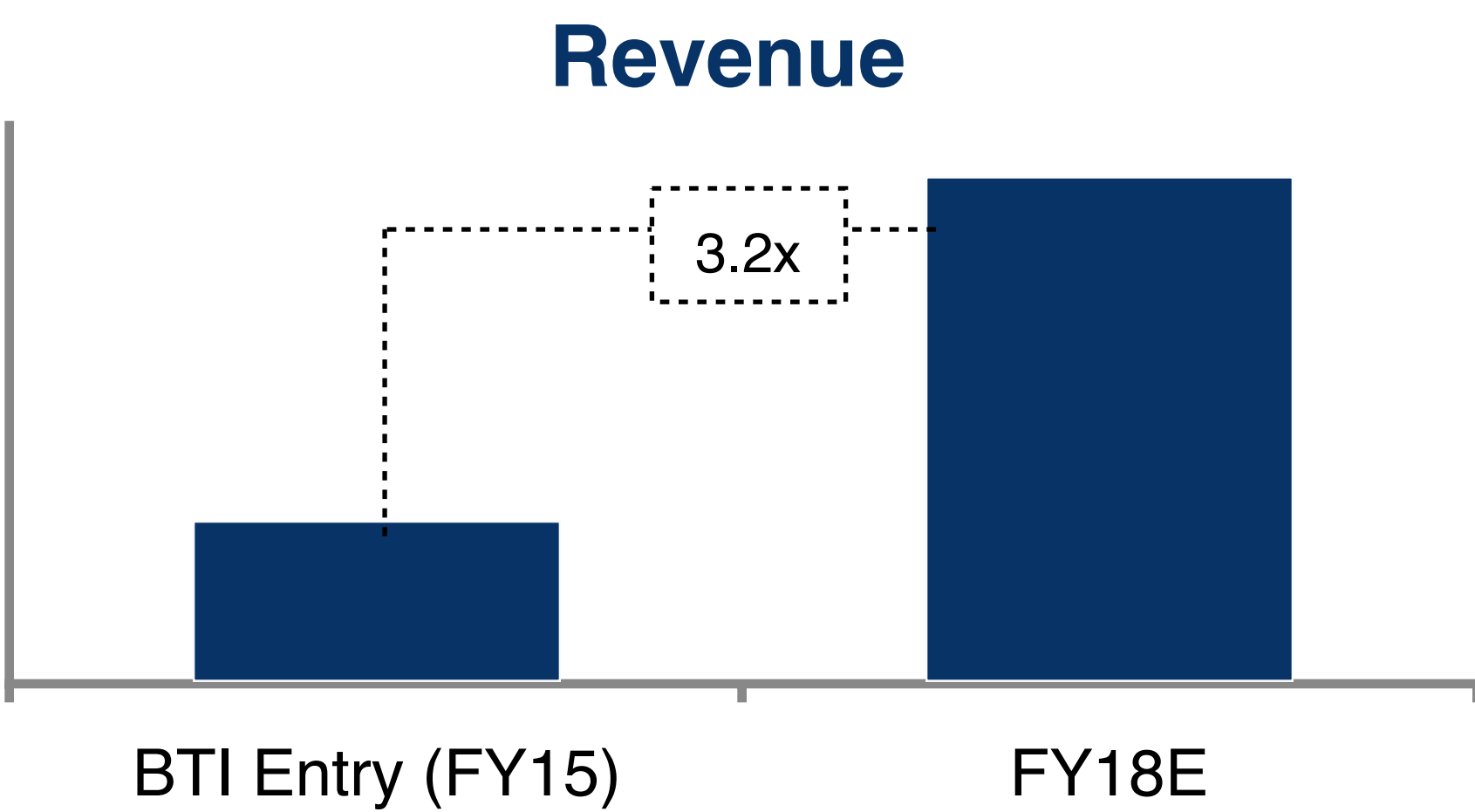
- User-generated content platform
- Aggregates content from dozens of data sources and provides intuitive interface for brands to curate
- Automates content decisions at scale
- SaaS revenue model
- Enterprise-focused
- > 50% outside APAC

**What excites us**

- Huge global addressable market
- Impressive suite of blue chip customers (Toyota, Air France, Heineken)
- Product-centric organisation
- Platform built with API-first approach, enabling deep integrations into the marketing stack

**Exit**

- Logical acquisition for a large marketing tech company such as Oracle, IBM, Adobe or a CMS provider such as Sitecore, Episerver
- Expected exit < 2 years



Stackla uses predictive intelligence to inform brands on the content most effective for each customer

### FY17 Valuation

↑ 6%

Valuation review Oct 2017

### BTI cost

\$7.5m

### Current value

\$8.7m

### Date invested

August 2015

### The business

- An industry leading language translation technology platform
- Hybrid translation model that combines machine translation with a crowd-sourced workforce
- Harnesses machine translation and big data to rapidly speed up the translation process
- 7,000+ customer and 40,000 + translators
- Proven international expansion – already >80% revenue outside NZ & AUS

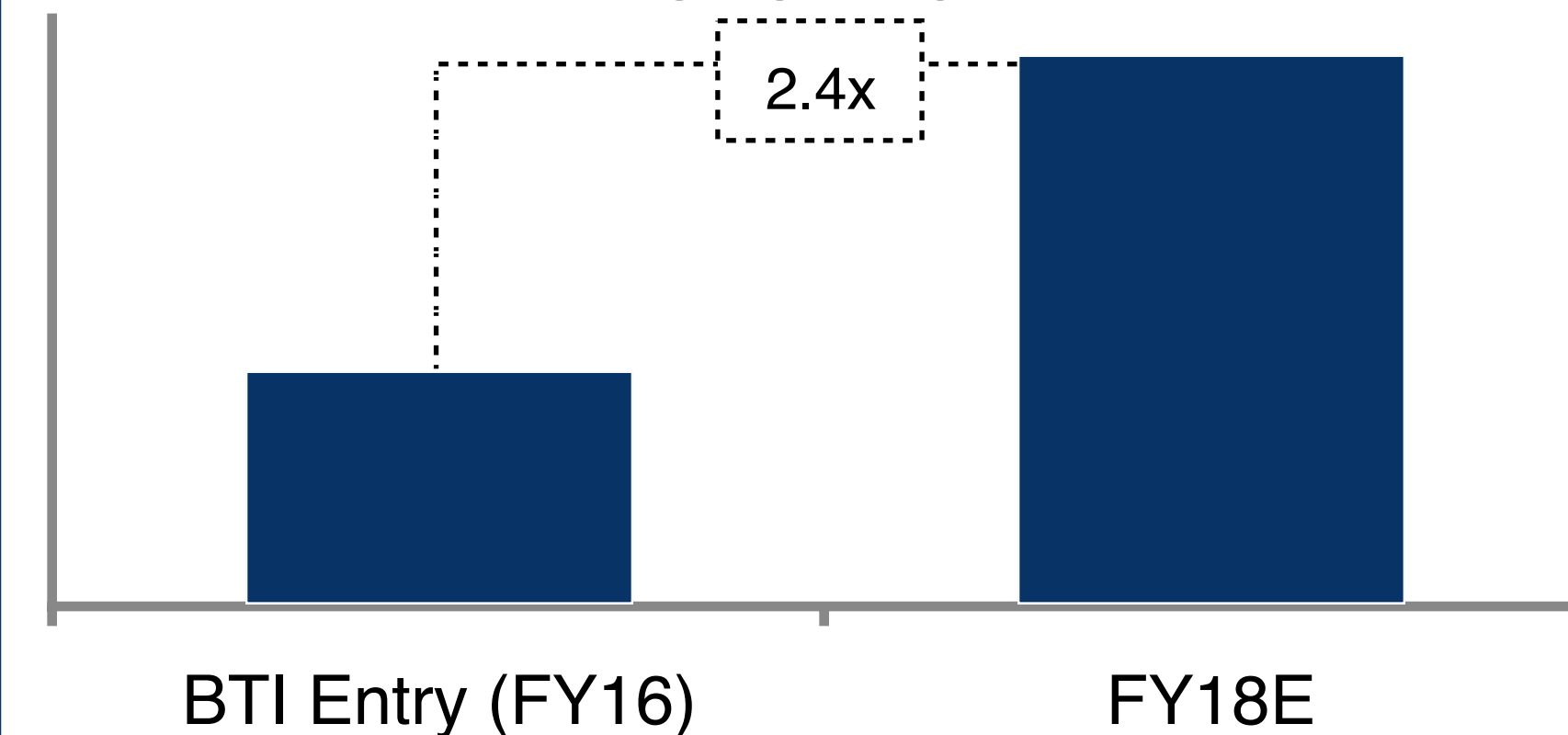
### What excites us

- A USD\$43bn market opportunity underpinned by strong structural trends
- Industry leading technology solution that allows Straker to achieve superior translation speed and margins
- A platform approach that is highly scalable
- Well positioned for growth with compelling organic and acquisitive growth options

### Exit

- Preparing for 2018 IPO
  - BlackPeak appointed advisor
  - Pre-IPO round likely
- Larger technology and language service companies are interested in acquiring
- Partial exit likely in < 12 months

### Revenue



Industry-leading translation tech platform positioned for huge growth in the USD\$43bn translation market





**FY17 Valuation**  
↑ 49%

**BTI cost**  
\$5.0m

**Current value**  
\$7.5m

**Date invested**  
July 2016

**The business**

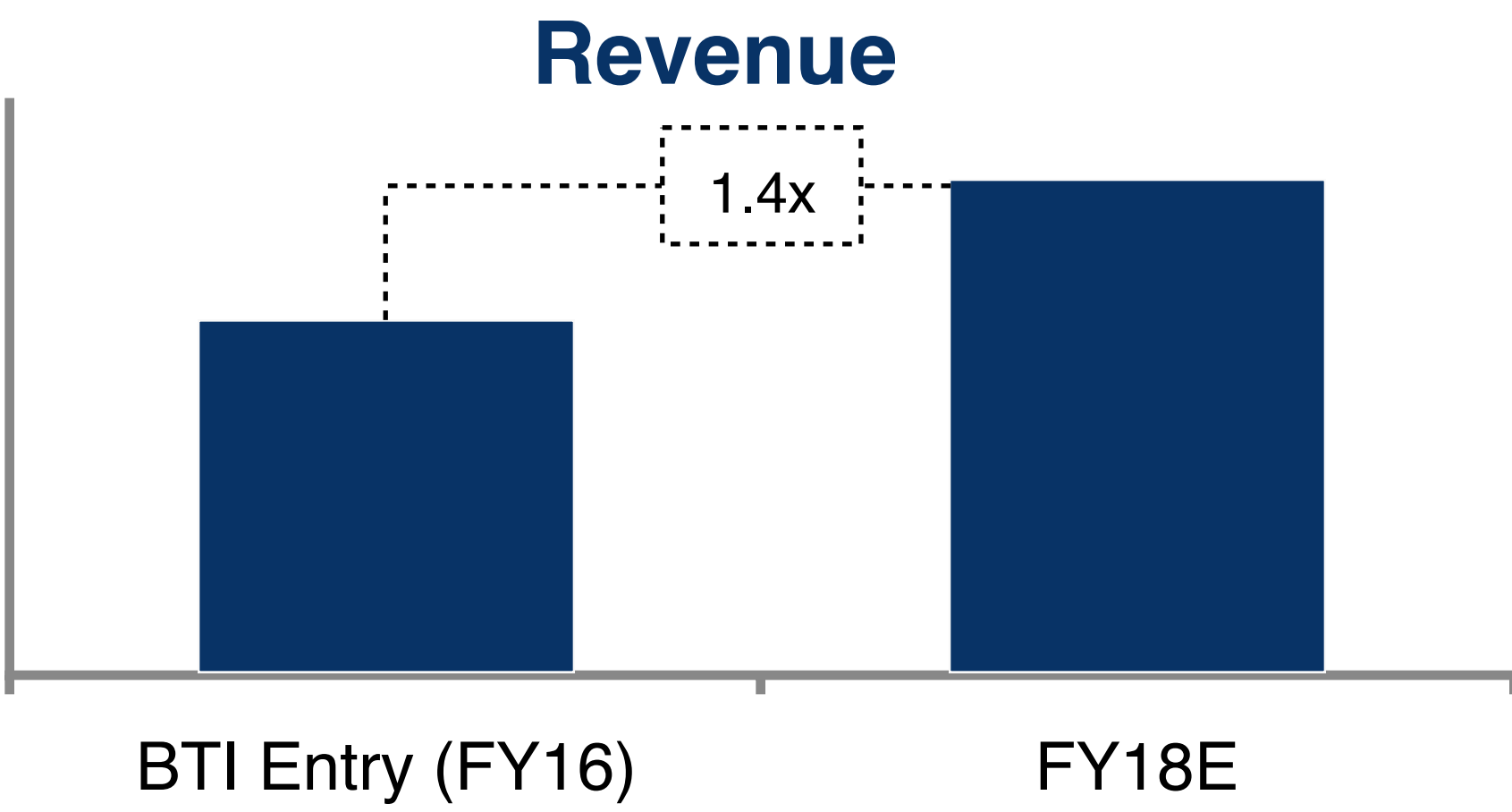
- Market-leading desktop and cloud-based document productivity software
- Integrates with 30+ enterprise content management systems
- > 3,500 clients and 450k+ end users
- 80%+ revenue generated outside Australia
- Revenue in double-digit millions

**What excites us**

- Clear product leadership
- Strong growth opportunities in existing and adjacent markets with its existing product set
- Successfully exploiting the movement to cloud and API's which is opening up new market opportunities
- Increasing mix of recurring revenue and the potential for this growth to continue
- Compelling unit economics and a sticky customer base
- Highly committed management team
- Won global deals with two of the Big 4 accounting firms – over 150k new licences

**Exit**

- Likely acquirers would be Document Management Systems, adjacent productivity software firms or large private equity
- Future IPO candidate
- Held for just over one year, exit timing unclear



DocsCorp is leveraging its product leadership to continue winning blue-chip customers and opening up new adjacent markets



**BTI cost**  
\$7.4m

**Current value**  
\$7.4m

**Date invested**

April 2011

IPO Foundation Investment

### The business

- Data insights platform
- Leading source of high value data for the media industry
- High margin subscription revenue
- Over 55% of revenue generated outside Australia
- Data secured in 37 countries

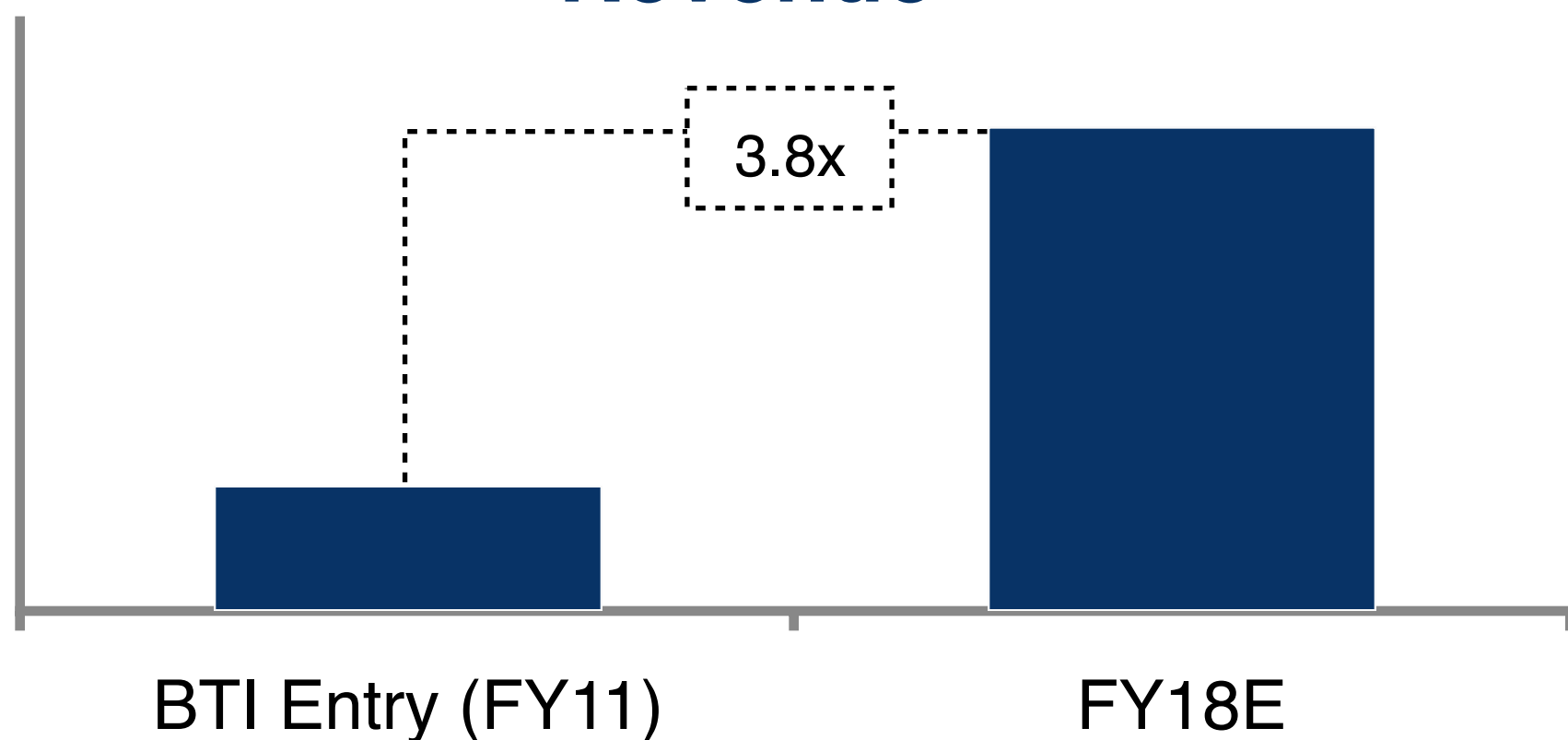
### What excites us

- Unique value proposition
- Blue chip customer base (leading media companies and financial investors)
- Favourable trends as customers look to data to calculate the ROI across all marketing channels
- New customer wins outside core vertical

### Exit

- Logical acquisition for a large media data company (Nielsen). Attractive data asset for global marketing clouds/marketing effectiveness services (Oracle, Accenture)
- Exit likely in 1 - 3 years

### Revenue



**SMI is the only company in the world that aggregates real ad spend data, a uniquely valuable asset**

**FY17 Valuation**

↑ 42%

**BTI cost**

\$5.5m

**Current value**

\$7.2m

**Date invested**

May 2016

**The business**

- End-to-end online home loan platform and mortgage product
- Lendi compares over 1,600 home loans from 40 lenders using advanced technology
- Fundamentally improves the home loan experience for consumers
- Scalable platform leveraging big data and machine learning
- 100% YoY growth in loans settled

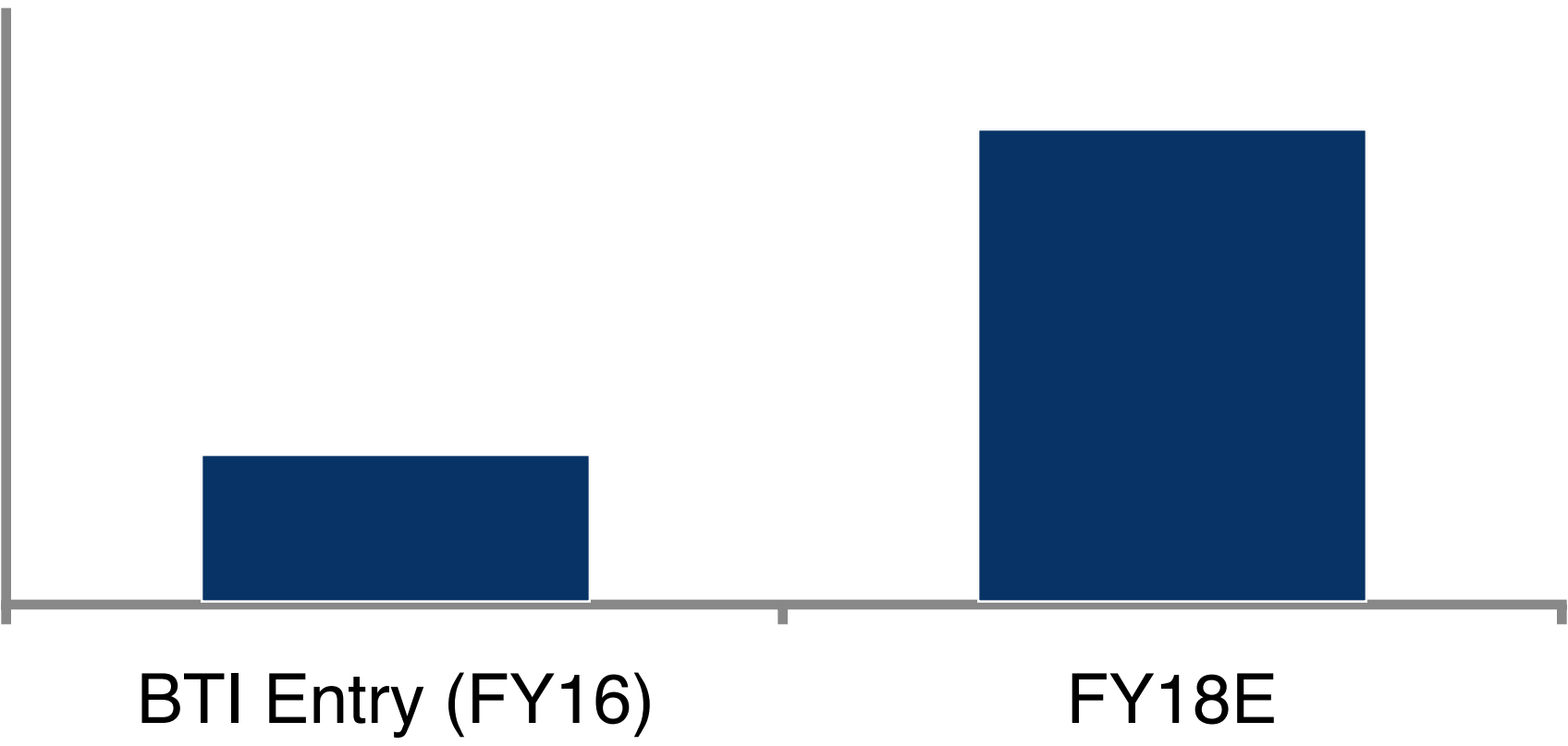
**What excites us**

- A disruptive home loan platform addressing the multi-billion dollar mortgage market
- An innovative offering in an industry that has been slow to embrace innovation
- Leverages the trend of customers procuring financial products online
- Exceptional management team with significant entrepreneurial experience and a track record of execution
- In July, partnered with Domain to power the Domain Loan Finder – accessing Domain’s 4m+ audience

**Exit**

- Logical acquirer is a large bank, financial services firm or adjacent online platform
- Future IPO candidate
- Held for just over one year, exit timing unclear

**Revenue**



**Lendi is a disruptive home loan service growing at 100% YoY with a very large available market**



**FY17 Valuation**

↑ 29%

**BTI cost**

\$3.6m

**Current value**

\$4.5m

**Date invested**

October 2015

**The business**

- B2B booking software for tour and activity providers
- B2B marketplace that aggregates tours and activities (inventory) for agents to onset to consumers
- ~ 2,000 customers
- +45,000 unique products brought online
- SaaS business model

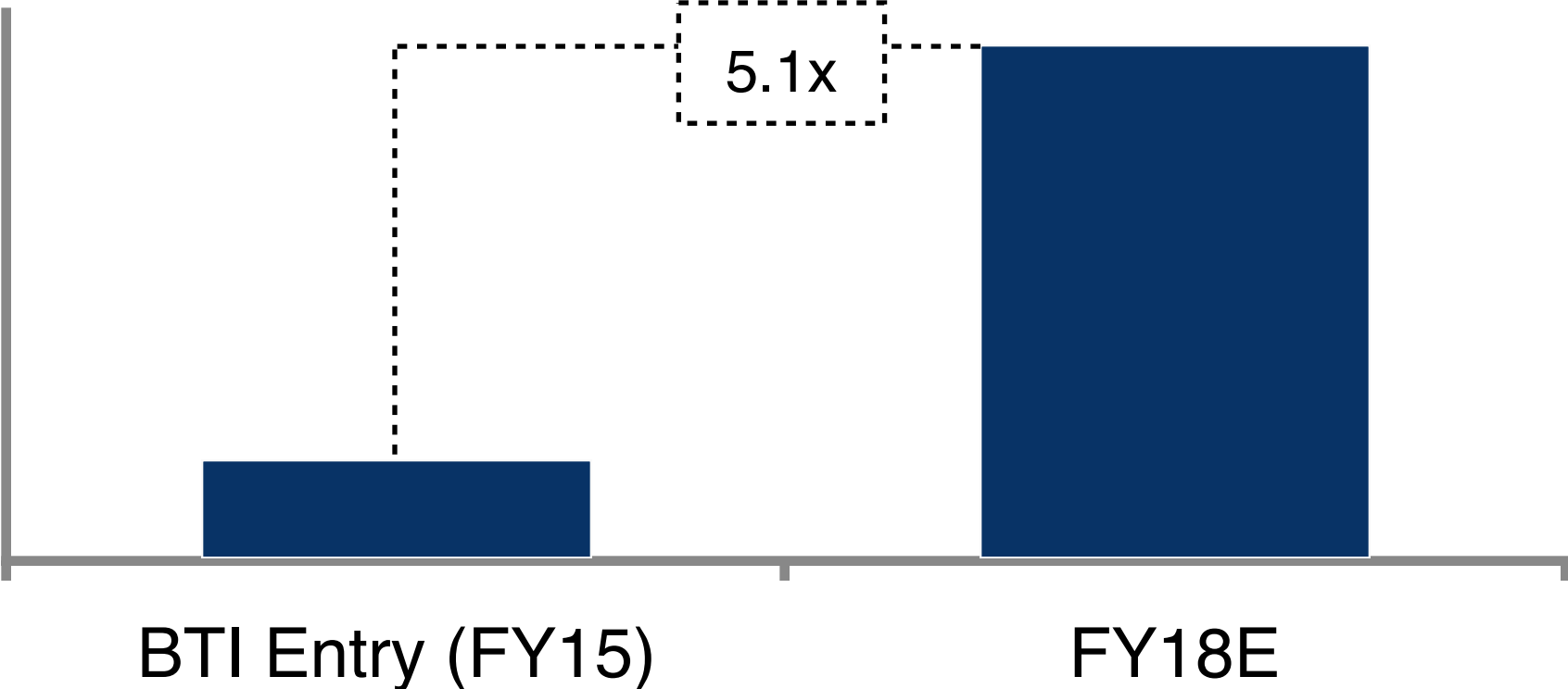
**What excites us**

- Well positioned in a fragmented multi-billion dollar market
- Over 60% of revenue generated outside APAC
- The business nearly doubling year-on-year
- Sticky product with clear product-market fit
- B2B marketplace a unique differentiator
- Partnerships with key global tour operators (e.g. Papillon)

**Exit**

- Clear opportunity for industry consolidation/private equity rollup. Logical acquisition for a major OTA (Viator, Expedia, Priceline)
- Exit likely in 2 - 5 years

**Revenue**



Rezdy continues to experience rapid growth. Is earlier stage than other portfolio companies



**>100% YoY revenue growth**  
Due for revaluation Nov 2017

**BTI cost**  
\$4.5m

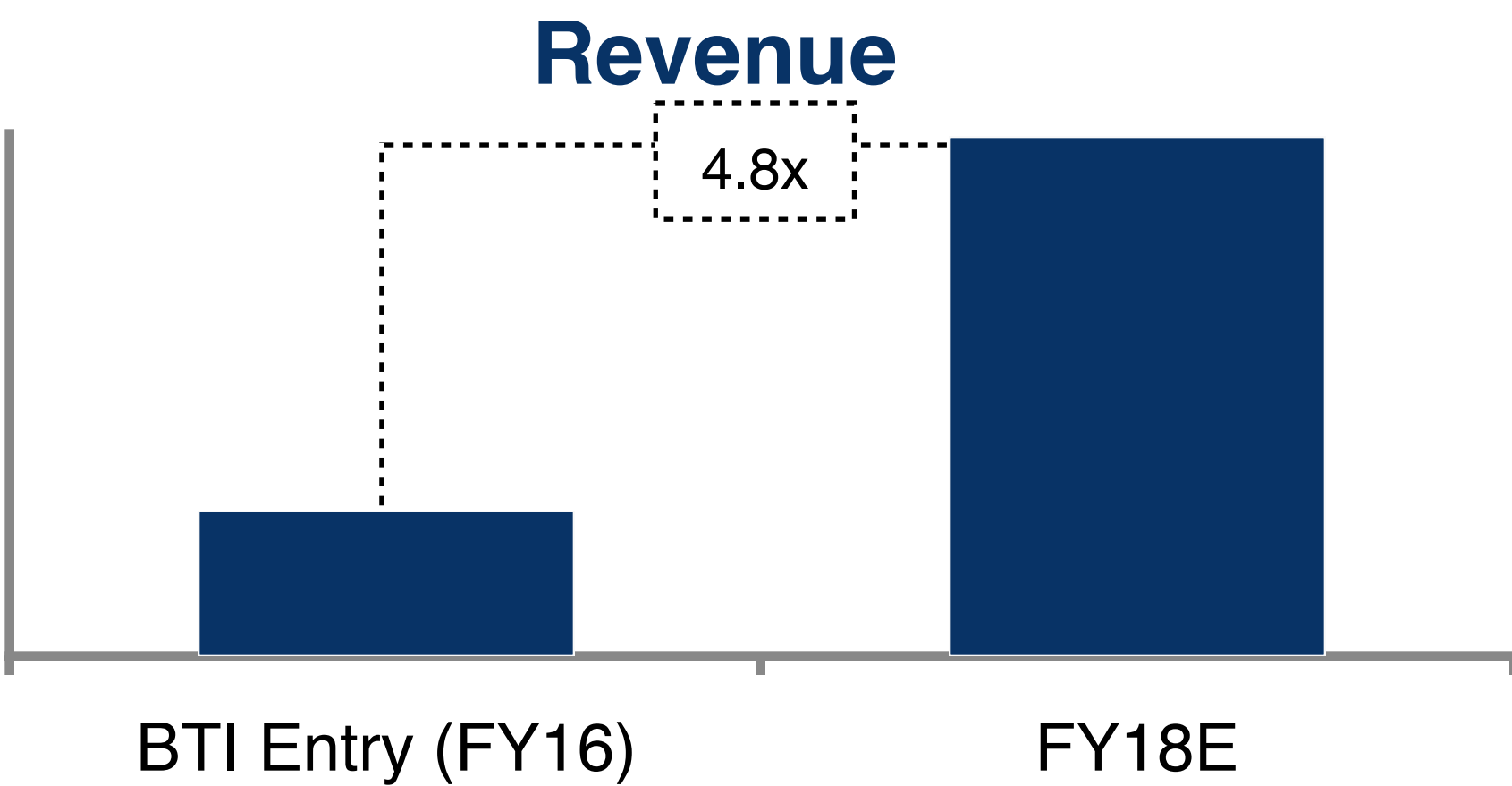
**Current value**  
\$4.5m

**Date invested**  
December 2016

- The business**
- Open-source-as-a-Service
  - A platform of managed solutions for complex big data applications
  - Cloud independence (AWS, Azure, Google Cloud)
  - Provides security, reliability and scale to customers

- What excites us**
- Strong product-market fit - majority of sales are inbound
  - Growing portfolio of global customers such as Atlassian, Sonos
  - Excellent management team with prior success launching and exiting a business within the cyber security sector
  - Extremely sticky product with very positive customer feedback

- Exit**
- Logical acquisition for a larger managed service provider such as IBM, Rackspace or private equity
  - Potential IPO candidate
  - Held for <12 months



Outperforming expectations. Valuation review in November 2017



**BTI cost**  
\$3m

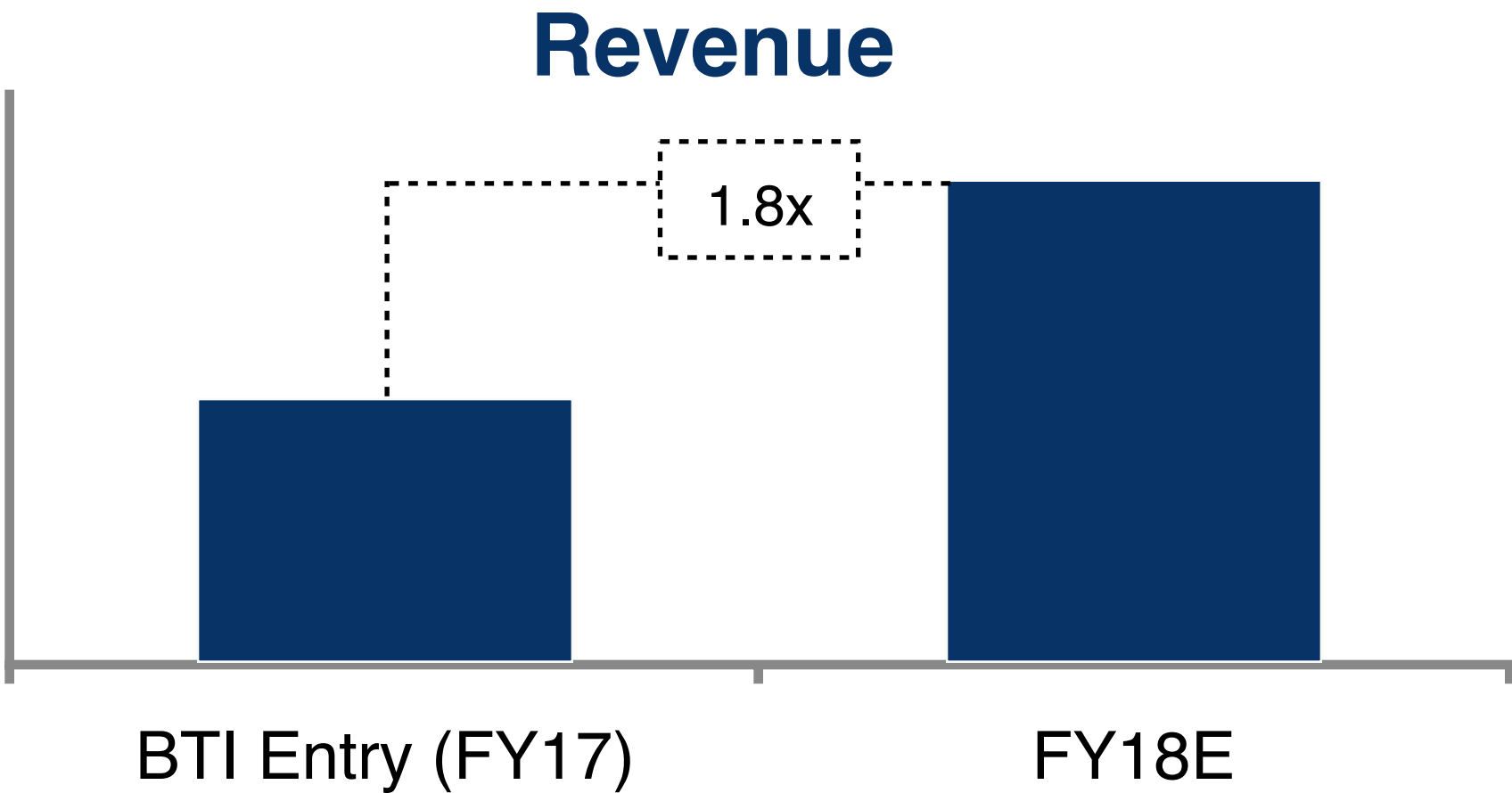
**Current value**  
\$3m

**Date Invested**  
October 2017

- The business**
- Next generation online designer furniture store
  - Control of end-to-end supply chain
  - Leveraging proprietary e-commerce technology
  - Superior in-house product design
  - Data-driven consumer product insights


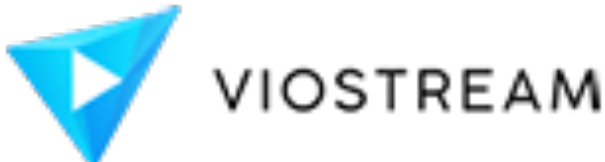








- What excites us**
- Huge growth opportunity to disrupt slow moving \$13bn furniture and homewares market
  - Customer-centric and data-led management team
  - Strong top-line growth and attractive unit economics
  - Impressively high levels of customer satisfaction

- Exit**
- Growth opportunity for large furniture and homewares retailer (Wesfarmers, Steinhoff). Attractive brand for acquisition leaders in adjacent markets (Fairfax/Domain, REA, Seven West Media)
  - IPO future candidate
  - Held for < 12 months



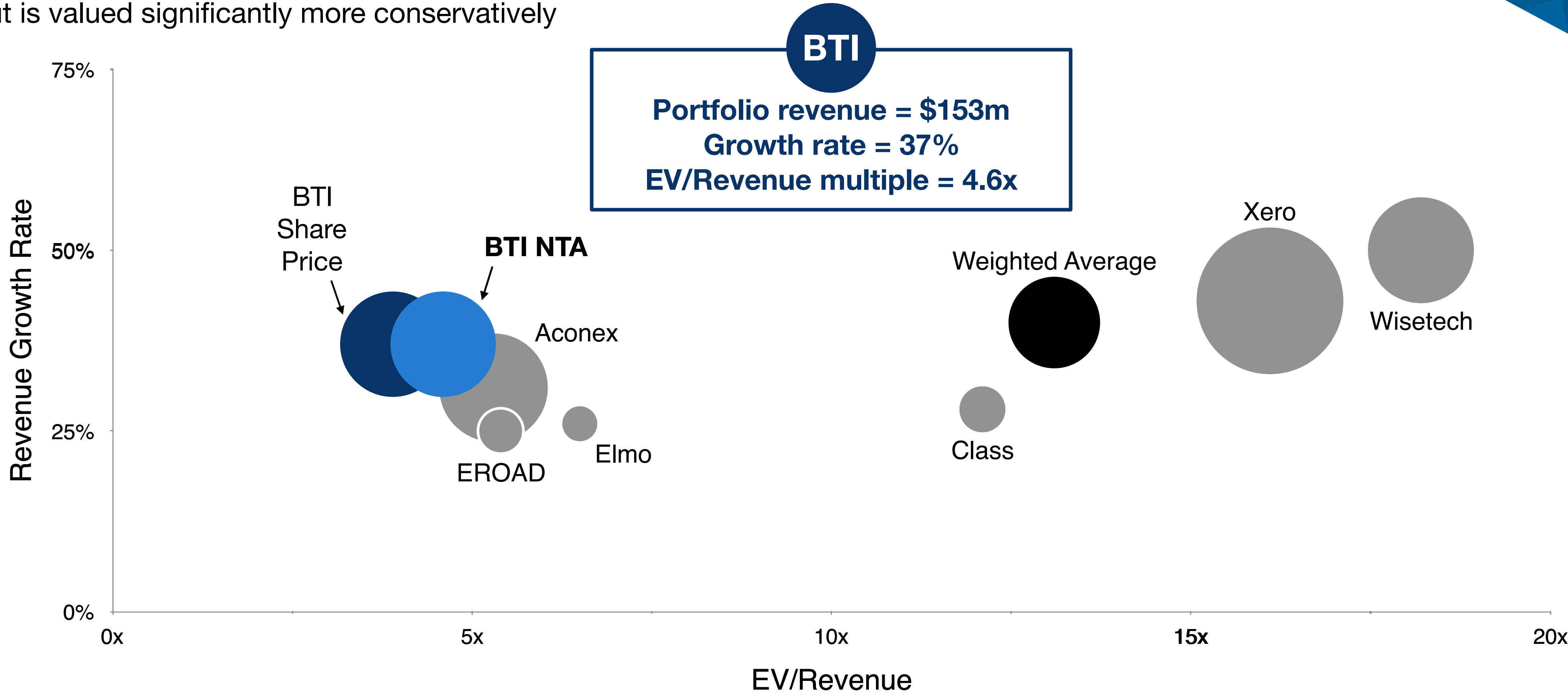
**Bailador's most recent investment, Brosa diversifies BTI's portfolio into vertically integrated e-commerce**

# The BTI portfolio valuation is supported by third party investments from institutional and sophisticated investors

|                           | Portfolio company  | Current Valuation | Third Party | Share Price Growth Since Entry Investment |
|---------------------------|--|-------------------|-------------|---|
|                           |    | \$40.5m           | ✓           | 829%                                      |
|                           |     | \$24.1m           |             | (3%)                                      |
| Valuation Review October  |    | \$12.6m           | ✓           | 49%                                       |
|                           |     | \$8.7m            | ✓           | 26%                                       |
|                           |   | \$7.5m            |             | 49%                                       |
|                           |   | \$7.4m            | ✓           | 0%  |
|                           |   | \$7.2m            | ✓           | 42%                                       |
|                           |   | \$4.5m            | ✓           | 38%                                       |
| Valuation Review November |  | \$4.5m            | ✓           | 0%  |
|                           |   | \$3.0m            |             | 0%  |

# The BTI portfolio is conservatively valued

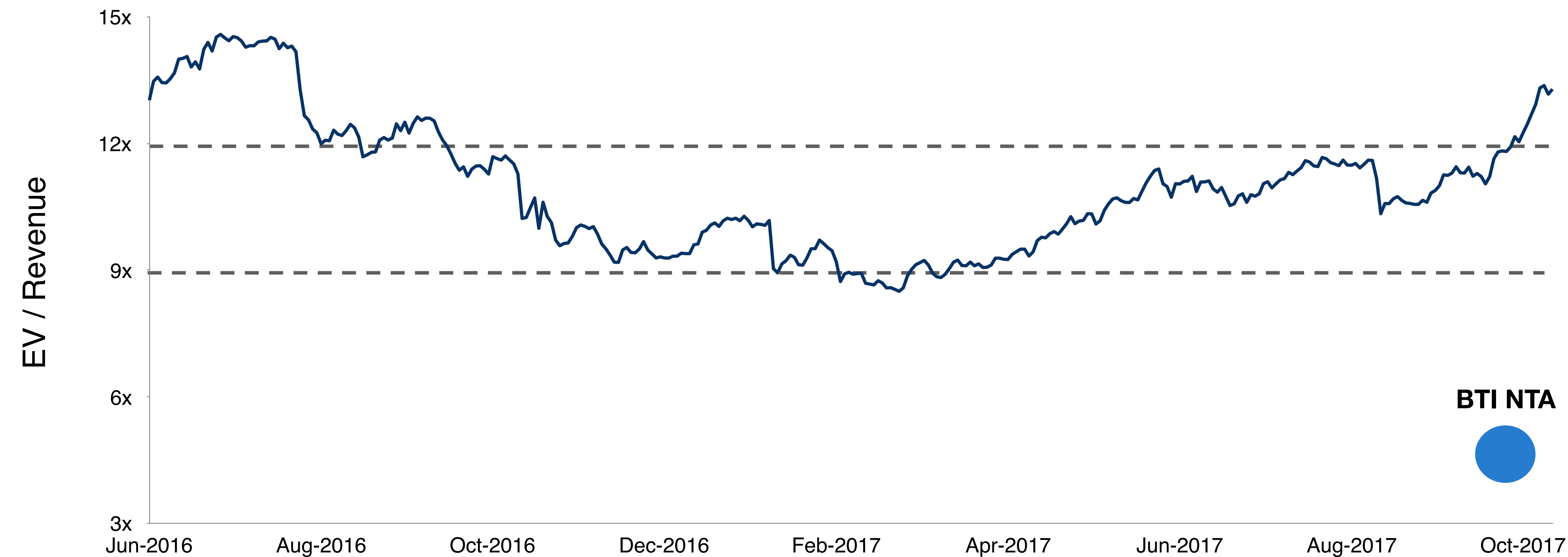
The BTI portfolio taken as a whole shares the scale and growth characteristics of other listed SaaS companies but is valued significantly more conservatively



Circle size indicates revenue \$

# ASX SaaS multiples of revenue – trailing LTM

The BTI Net Tangible Assets (NTA) valuation is significantly more conservative than the trading range for ASX SaaS companies, suggesting upside to BTI's NTA upon realisation





**Providing access to a portfolio of  
quality, high growth companies in the  
technology sector**

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## FURTHER INFORMATION

|                     |  |
|---------------------|--|
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