



Annual General Meeting

27th October 2020

Bailador Technology Investments Limited (ASX:BTI)

David Kirk
Co-Founder & Managing Partner

Bailador is backed by a strong, majority independent board



David Kirk, Executive Chairman

- Appointed 2014
- Due for re-election (Resolution 3)



Andrew Bullock, Non-Executive Director

- Appointed 2014
- Re-elected October 2019
- Chair of Audit and Risk Committee



Paul Wilson, Executive Director

- Appointed 2014
- Re-elected October 2019



Jolanta Masojada, Non-Executive Director

- Appointed and re-elected 2018
- Chair of Nomination and Remuneration Committee



Helen Plesek, CFO & Company Secretary

- Appointed 2014



Brodie Arnhold, Non-Executive Director

- Appointed and re-elected 2019

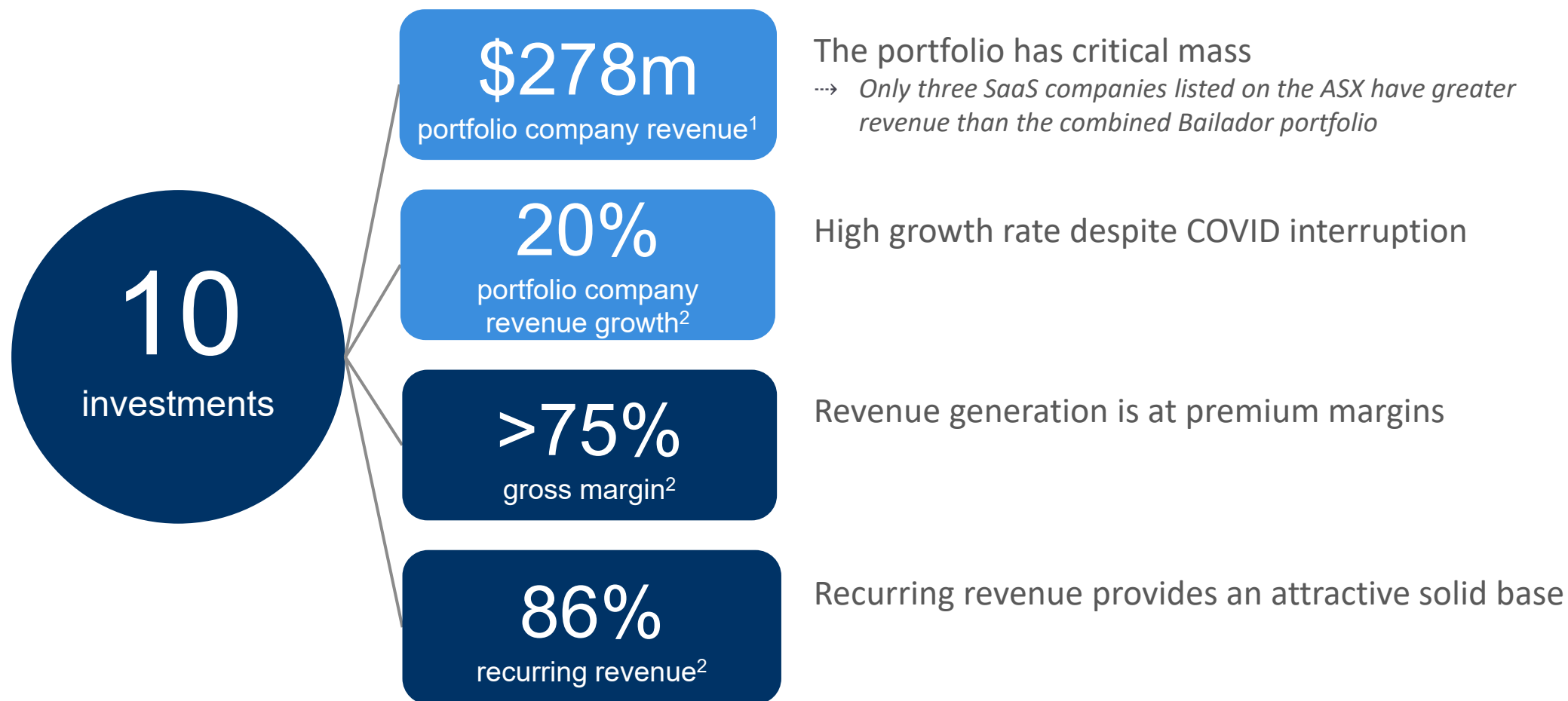
Bailador provides investors with exposure to **expansion-stage technology** companies with **global addressable markets** and a **high growth** trajectory

Investors get access through an ASX traded share [ASX:BTI]

FY20 Financial Year End Update

- ✓ The Bailador portfolio had great momentum going into COVID and has performed strongly through it
 - > *Portfolio revenue growth rate to 30 June is 20%*
- ✓ Two profitable cash realisations during the year
- ✓ Special fully-franked dividend paid of 2.5c per BTI share
- ✓ Portfolio valuations at 30 June confirmed through Independent Expert Review
- ✓ The Bailador portfolio companies are well capitalised – no liquidity concerns
- ✓ Working towards further profitable cash realisations – some delays due to COVID

Bailador's portfolio of 10 established fast growth technology companies ended FY20 with enviable characteristics



Two partial cash realisations and first special fully-franked dividend paid in FY20

straker
TRANSLATIONS

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

 **SiteMinder**

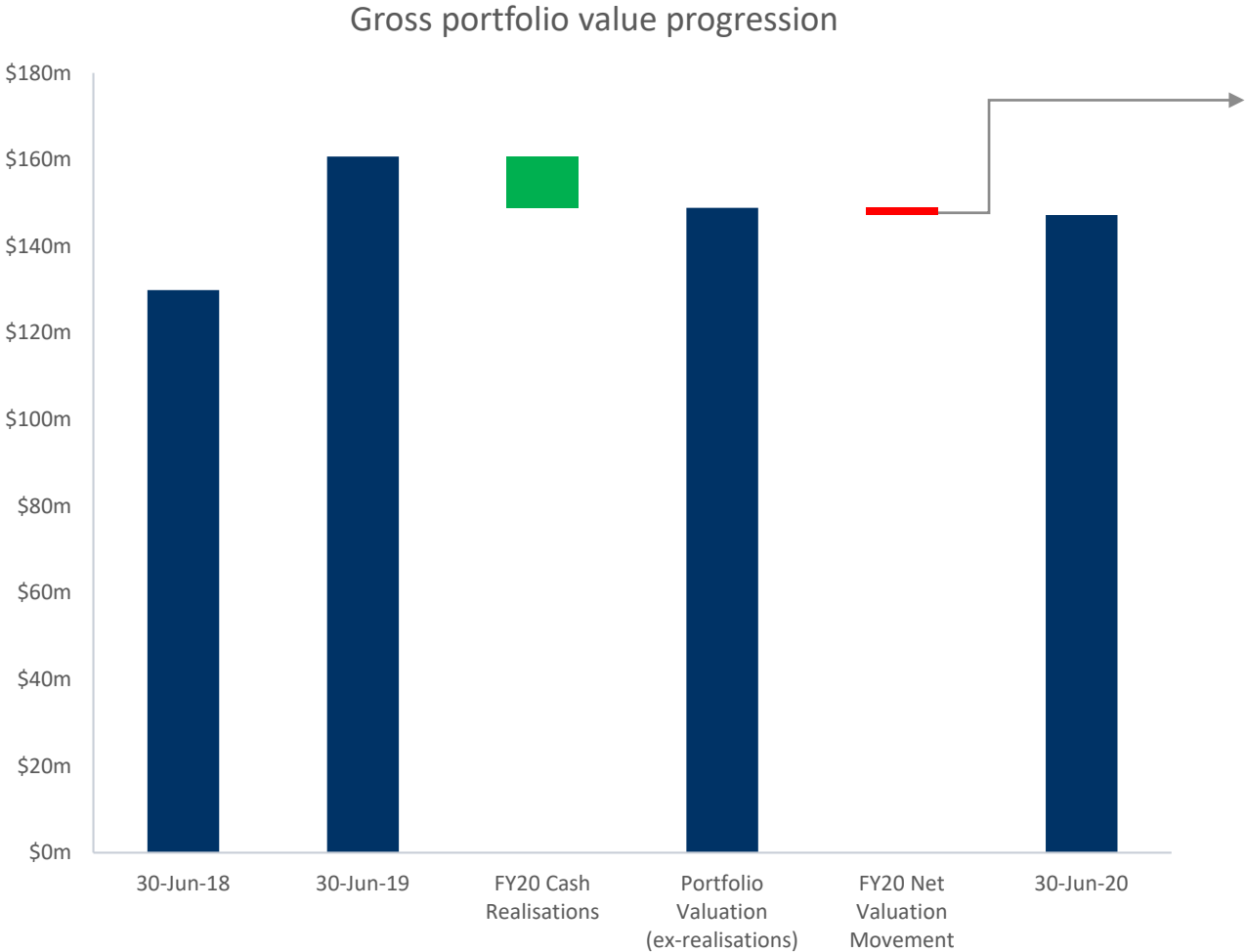
Cash \$9.9m
19.3x cost
50.5% IRR
January 2020

First Special Dividend

- > Announced February 2020
- > 2.5cps, fully-franked
- > 2.3% yield
- > Strong take-up from subsequent DRP

Portfolio valuations at 30 June confirmed through Independent Expert Review

---> \$11.8m cash realised during FY20; net portfolio valuation flat (-1%)



Portfolio Company	FY20 Valuation Movement (\$m)	
SiteMinder	▲	\$19.6m
Instaclustr	▲	\$4.4m
Straker Translations ¹ [ASX:STG]	▼	\$5.1m
Stackla	▼	\$12.6m
Viostream	▼	\$7.8m
Rezdy	▼	\$0.1m
Total	▼	\$1.6m

Note: ¹Straker Translations is ASX-listed and marked to market at the close of each calendar month of trading.

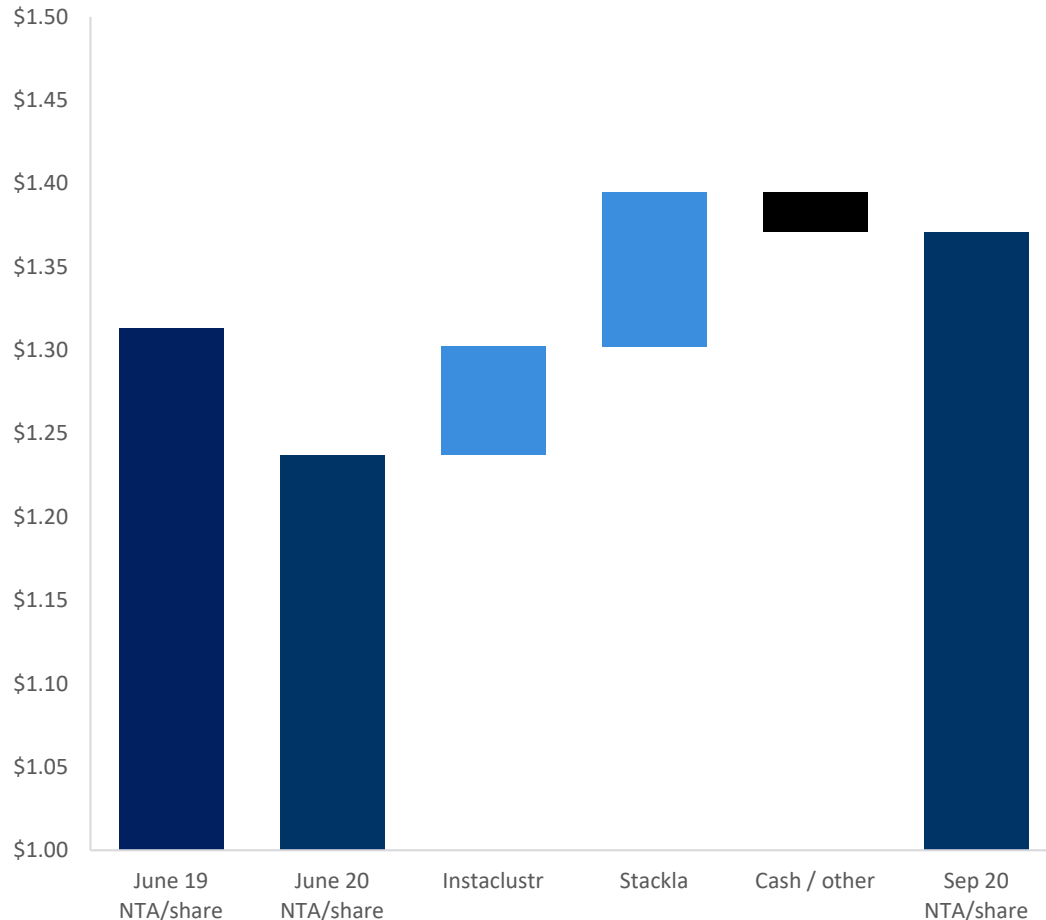
FY20 financial performance

For the year ended 30 June 2020

	FY19 \$000	FY20 \$000	
Change in value of portfolio assets	32,038	(1,648)	1% net decrease to portfolio valuation
Interest income	44	23	
Total investment growth	32,082	(1,625)	
Management fee	(2,507)	(2,694)	1.75% management fee calculated on average NTA over FY20
Performance fee	(4,035)	-	
Independent valuations	(84)	(83)	
Directors' fees	(196)	(192)	
Other operating expenses	(894)	(1,287)	
Total costs	(7,716)	(4,256)	Includes \$0.3m in transaction costs associated with cash realisations
Profit before tax	24,366	(5,881)	
Tax	(7,313)	1,763	Carried forward tax losses to be applied against future profits
Profit after tax	17,053	(4,118)	

Strong progress in FY21 year to date

Bailador NTA per share movements net of all fees



instaclustr

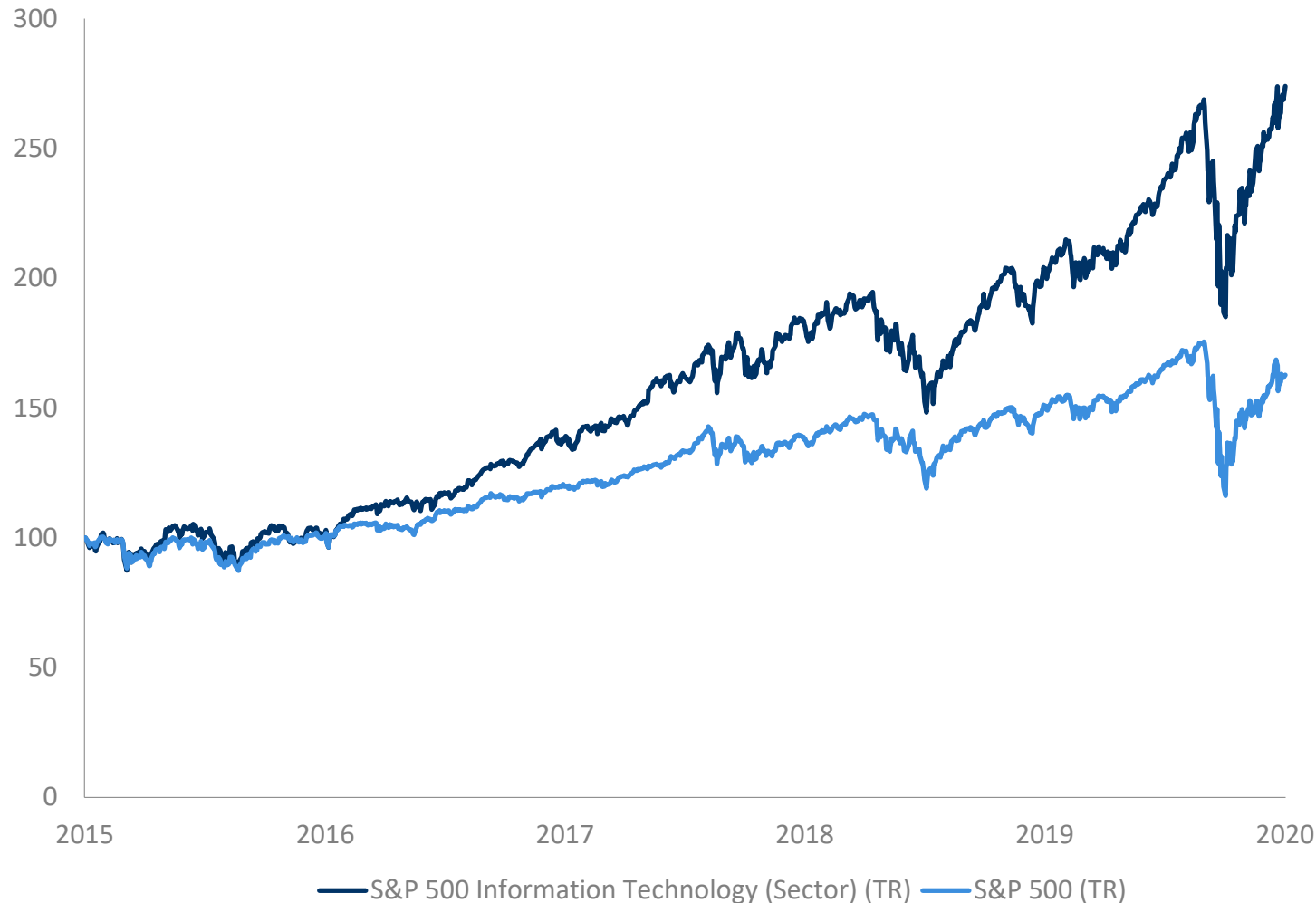
- 42% increase to valuation (Aug-20 NTA)
- Revaluation reflects the strong operating performance over past 12 months
- Represents 6.0x cost and an effective IRR of 61.2%

Stackla ↶ ↷

- Written up to \$11.5m from \$nil (Sep-20 NTA)
- Was written down to \$nil from \$12.6m in Aug-19 (7.7% of Aug-19 NTA) when access to Facebook/Instagram was prevented
- Facebook/Instagram access subsequently reinstated in Oct-19

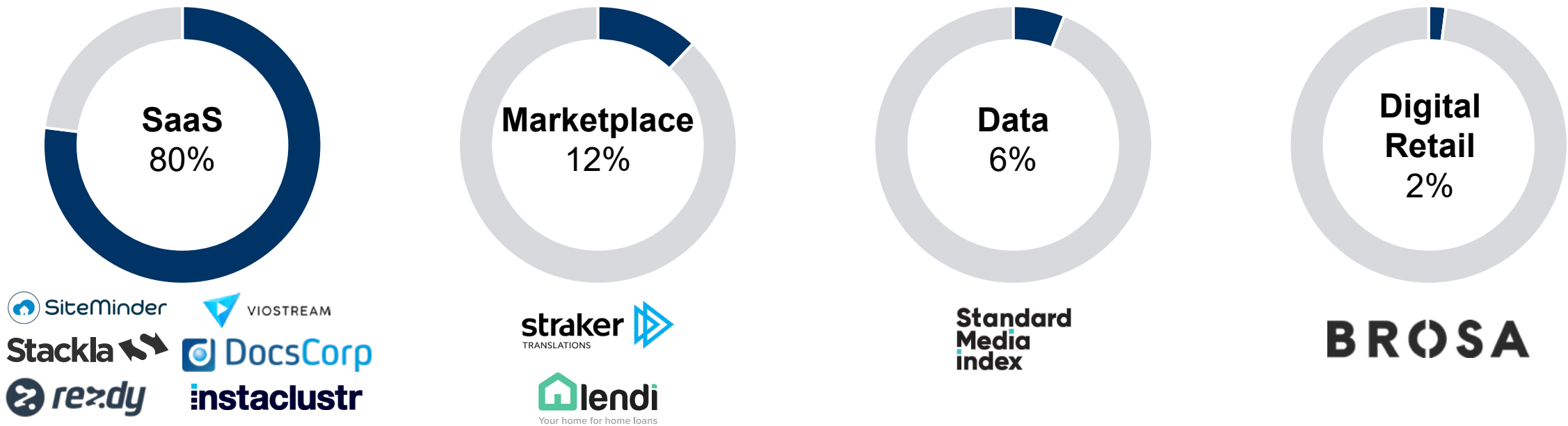
Paul Wilson
Co-Founder & Managing Partner

Technology sector returns continue to outperform the market



Investors increasingly recognise the importance of **technology** in a balanced portfolio

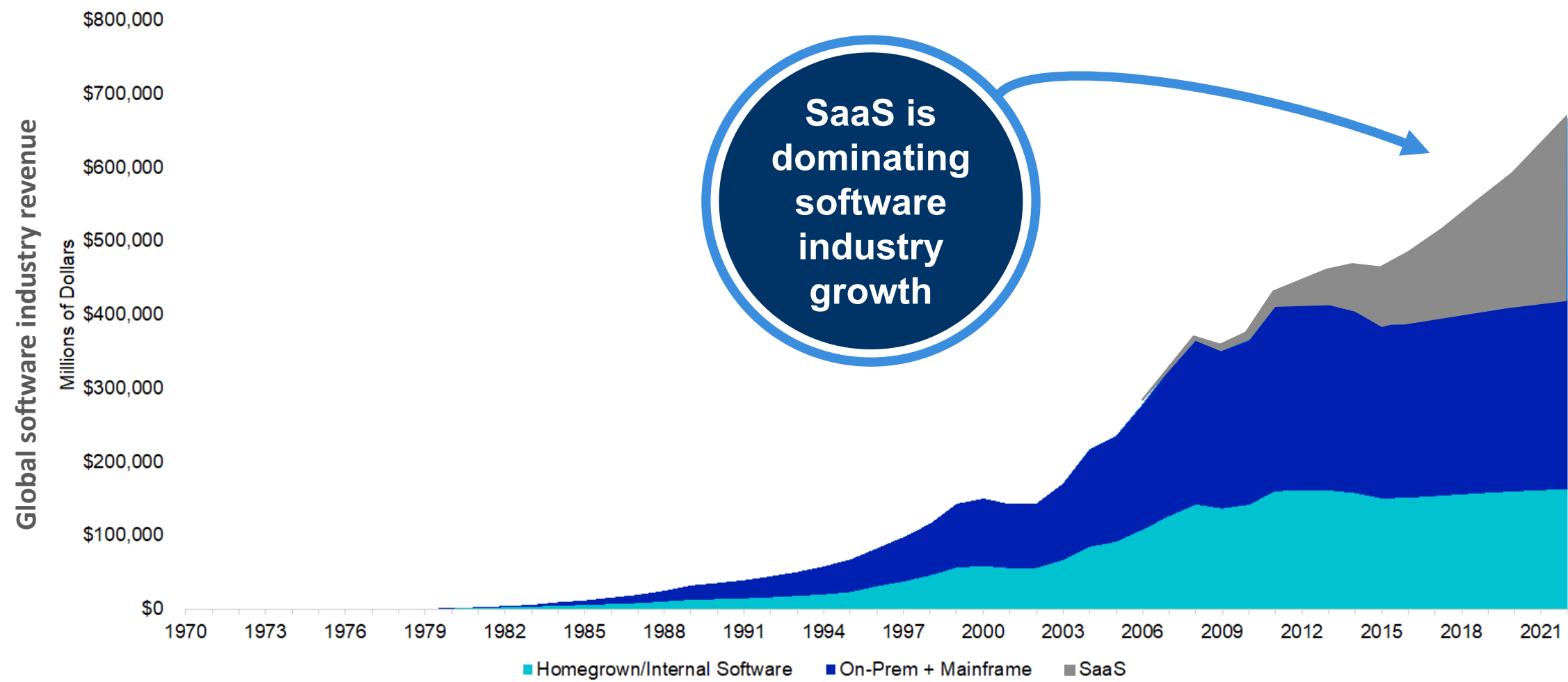
Bailador favours Software-as-a-Service (SaaS) and Marketplace business models



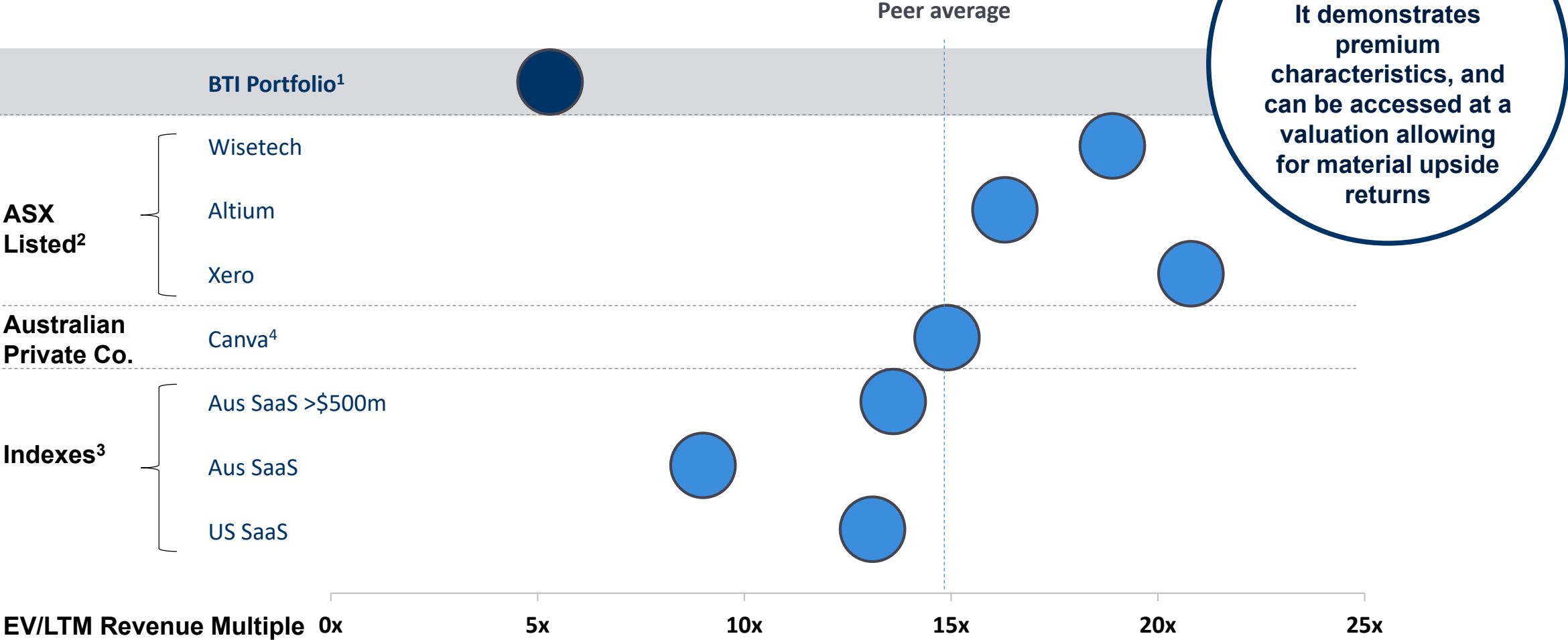
CHARACTERISTICS

- ✓ 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 BTI portfolio is conservatively valued

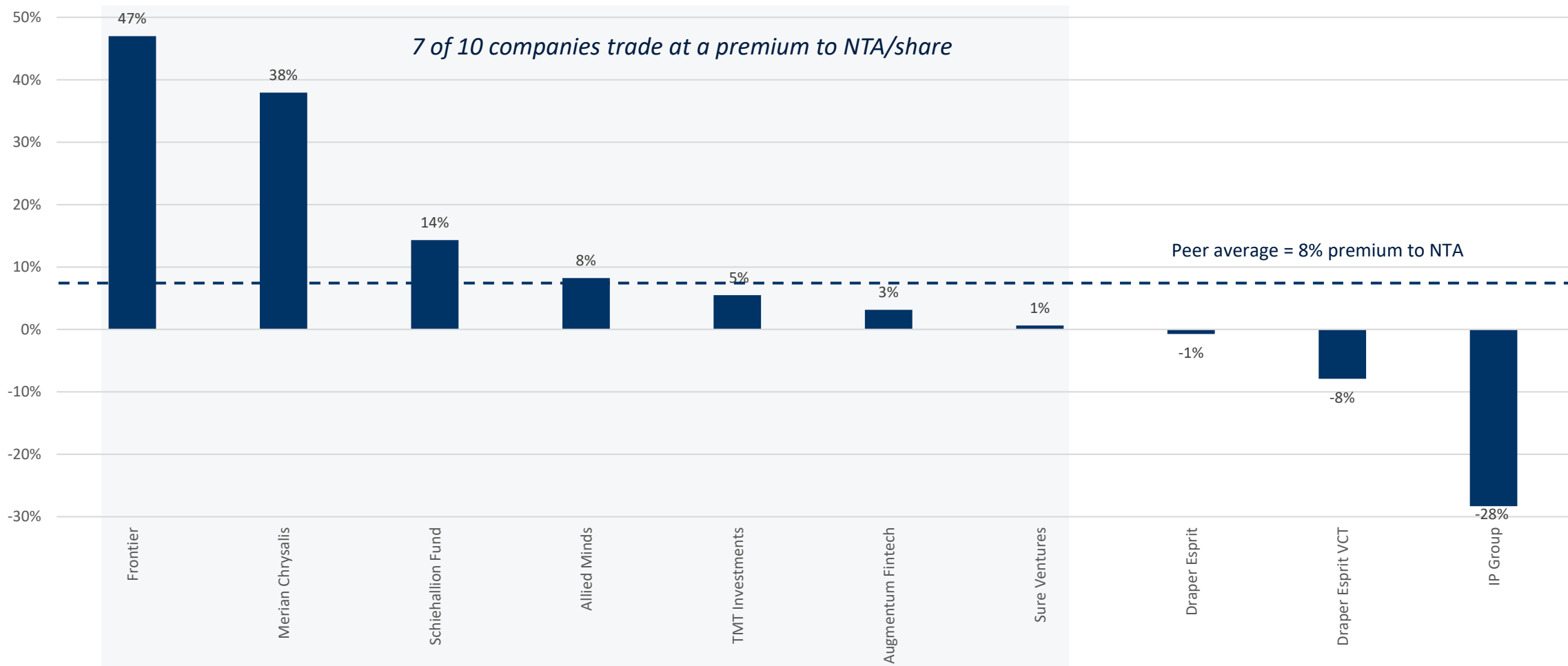


The BTI portfolio is 80% SaaS by value. It demonstrates premium characteristics, and can be accessed at a valuation allowing for material upside returns

BTI's UK-based LIC comparables trade at an average 8% premium to NTA/share

An 8% premium to NTA implies a BTI share price equal to \$1.48¹, or 44% higher than last close²

Premium/discount to NTA per share



Note: ¹BTI's NTA per share (pre-tax) was \$1.24 as at 30 September 2020. ²BTI's closing price on 14 October 2020 was \$1.03 per share.

Bailador's five partial cash realisations have generated premium returns

---> Combined IRR of 42.3%

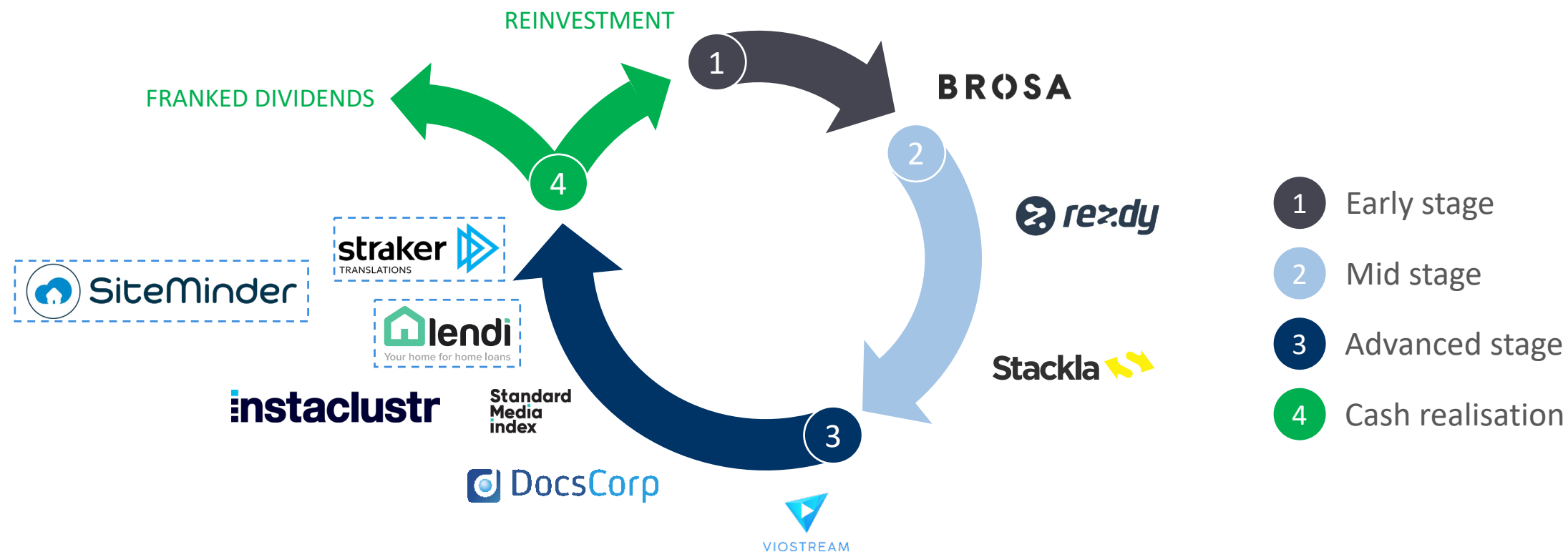


A number of portfolio investments are working towards profitable cash realisations – some delays due to COVID



Bailador is currently reviewing a number of attractive new investment opportunities

The majority of Bailador's portfolio companies are well advanced



The Bailador portfolio companies are well capitalised – no liquidity concerns

Portfolio company	Valuation ¹	Cash	Sustainability	Prospects	Valuation review
 SiteMinder	\$82.5m	✓✓✓	✓✓✓	Strategic position strengthened	Review in Dec-20
 instaclustr	\$27.1m	✓✓✓	✓✓✓	Very strong business performance	42% increase (Aug-20)
 Stackla	\$11.5m	✓✓	✓✓	Continued enterprise customer wins	\$11.5m increase (Sept-20)
 DocsCorp	\$10.9m	✓✓✓	✓✓✓	Continued profitable growth	Held constant (Jun-20)
 lendi <small>Your home for home loans</small>	\$10.7m	✓✓✓	✓✓✓	Beneficiary from digital shift	Review in Nov-20
 Standard Media Index	\$9.6m	✓✓✓	✓✓✓	Continued profitable growth	Held constant (Jun-20)
 straker <small>TRANSLATIONS</small>	\$5.8m	✓✓✓	✓✓✓	Targeting NZ\$100m revenue in 3yrs	Marked to market
 rezdy	\$5.7m	✓✓	✓✓	Driven by pace of recovery in travel	2% reduction (Jun-20)
 BROSA	\$3.0m	✓✓	✓✓✓	Beneficiary of digital acceleration	Review in Oct-20
 VIOSTREAM	-	✓✓	✓✓	Stable contracted customer revenue	Held constant (Sep-20)

Questions

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FURTHER INFORMATION

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Bailador Technology Investments Limited (ASX:BTI)

BAILADOR TECHNOLOGY INVESTMENTS LIMITED
AGM – TUESDAY 27th OCTOBER 2020
CHAIRMAN’S ADDRESS

SLIDE 1 – Annual General Meeting

Good Morning.

Ladies and Gentlemen, I’m pleased to begin Bailador Technology Investment’s Annual General Meeting.

SLIDE 2 – David Kirk

My name is David Kirk, Bailador’s Chairman. I have been advised that a quorum is present and I formally declare the meeting is now open. On behalf of Bailador’s Board, thank you for tuning in to the meeting and welcome. We look forward to seeing you at our AGM each year, but along with all other companies, COVID has made it impossible to safely host you in person. We will endeavour to make today as informative and interactive as the circumstances allow.

Shareholders will see on their screen a button to obtain a voting card. You may vote at any time throughout the presentation and voting will remain open for a few minutes once the meeting is closed. Once you have voted, you will see your voting card on your screen. If you have multiple holdings, you may obtain multiple voting cards.

There is also a button to submit questions. You can submit your questions at any time and we will endeavour to get to all questions at the appropriate time in the meeting. A reminder only shareholders may ask questions. You will need your holding details to ask questions today.

Our agenda today is relatively simple. I’ll say a few words and review the 2020 financial year and then I’ll hand over to Paul Wilson, who will discuss the Bailador portfolio and why we remain confident in our investment strategy. After that we’ll run through the 3 resolutions, I’ll take your questions, then we’ll close the meeting.

SLIDE 3 – Bailador is backed by a strong, majority independent board

First up, I’d like to introduce you to the Bailador board attending today. Paul Wilson, co-founder, along with me, of Bailador is here. Our non-executive directors Andrew Bullock, Jolanta Masojada and Brodie Arnhold are online also. You will note from the biographies in our annual report that your board members are highly qualified and

bring a tremendous depth of relevant experience to the BTI board. I'd like to thank the board for their hard work this year.

Also, online from Bailador today is Helen Plesek our CFO & Company Secretary who will be collating and reading out your questions today.

We also have Sandeep Kumar from Hall Chadwick, the company's auditor, online.

Representatives from Link Market Services are on hand overseeing the meeting and tallying your votes.

The Company Secretary has confirmed that the Notice of Meeting has been sent to shareholders and the other people entitled to receive it. The Notice of Meeting can be downloaded from the option on the right hand side of your screen. It will continue to be available to download from our website after this meeting if you require a copy.

If there is no objection to the Notice of Meeting, I propose that the Notice of Meeting be taken as read.

For the purposes of this meeting, proxies have been received and these will be displayed on the screen during each resolution.

I intend to vote all undirected proxies in favour of the resolutions, as is set out in the proxy form itself.

SLIDE 4 – Bailador provides investors with exposure to...

I will now say a few words about performance in 2020

First a reminder of what we do. Bailador was founded to invest in a portfolio of established information technology companies that are growing strongly and scaling into international markets. We provide growth capital and expertise to these companies. Investors get exposure to the portfolio through a single ASX listed share.

SLIDE 5 – FY20 Financial Year End Update

The Bailador portfolio had strong momentum heading into calendar year 2020 and has continued to perform strongly through the challenges presented by COVID. In the year, we closed out two successful realisations and paid a dividend to shareholders. The value of the portfolio was confirmed through our rigorous year end valuation process including independent expert review by BDO. Valuations have held up well through COVID due to a combination of strong business models and operating performance, along with well capitalised balance sheets. There have been no liquidity concerns for any of the companies through COVID.

SLIDE 6 – Bailador’s portfolio of 10 established fast growth technology companies ended FY20 with enviable characteristics

The portfolio of 10 internet related businesses continues to perform with strong metrics. The portfolio companies have combined revenue of \$278m and grew 20% over the 12 months to June 2020. Given the headwinds presented by COVID from March onwards, that is a pleasing growth rate. Gross margins remain high at 75%. You’ll note 86% of revenue as recurring revenue. This has proved a crucial metric through COVID as so much of the portfolio’s revenue is based on on-going monthly subscription revenues, not transaction revenues.

SLIDE 7 – Two partial cash realisations and first special fully-franked dividend paid in FY20

In the year to June 2020, Bailador had two successful realisations.

- We sold a small portion of our shareholding in Straker Translations in July 2019. The Straker share price was in a strong position at the time, so we elected to realise a portion of our position. That realisation was at an IRR of 25%.
- Then in January we sold a small portion of our holding in SiteMinder. Shareholders will be aware that SiteMinder has been an exceptionally strong performer for Bailador and this transaction was part of a larger capital raising that saw SiteMinder valued at over \$1bn. Our first unicorn. Our \$10m realisation in January was at an IRR of 51% and after that realisation our investment was still worth \$82.5m remaining by far the largest holding in our portfolio. SiteMinder has been an outstanding cornerstone investment for the fund and will continue to be so into the foreseeable future.

In March 2020 Bailador paid a 2.5 cents per share fully franked dividend to shareholders. This dividend was paid from proceeds of the SiteMinder realisation.

Shareholders should expect future dividends to be dependent on realisations and on our assessment of the best use of available capital at that time.

SLIDE 8 – Portfolio valuations at 30 June confirmed through Independent Expert Review

During the year, we had two investments with substantial increases in value.

- SiteMinder, as I mentioned earlier, increased in value 26.8% following the third party capital raise completed in January 2020.
- Instaclubr also increased in value, by 30%. We marked Instaclubr up in August 2019 following strong revenue growth in the year prior. We have

announced a further 42% increase in Instaclustr in August this year after another strong year. Instaclustr is proving to be a star performer in the portfolio and we're very happy with its performance.

The gains in SiteMinder and Instaclustr were offset by write downs in Stackla and Viostream. Stackla, as shareholders will recall, was removed from the Facebook and Instagram platforms for a 6 week period last year. This was a mistake by Facebook and rectified but it had a big financial impact on Stackla. We immediately wrote our investment down to nil. Twelve months later, we have now written Stackla back up again and are pleased with the progress the company is making.

SLIDE 9 – FY20 financial performance

I will just take a minute now to run through the Profit & Loss Statement for 2020. The top line is the change in the value of the investments in the portfolio I have just taken you through. As explained in the previous slide there were some ups and downs. The net effect was a small decrease for the year.

Our operating expenses were largely in line with the prior year, with the only exception being the expenses incurred on the two realisations.

With a small decline in the value of investments – the top line in the table – and the necessary operating costs the bottom line shows a loss of just over \$4m. This is disappointing for us all. Shareholders will be pleased to note, however, that increases in the value of our investments in Instaclustr and Stackla in the new year have us off to a flying start in 2021...

SLIDE 10 – Strong progress in FY21 year to date

... which I will say more about now in an update on the first three and a half months of the 2021 financial year.

In August we increased the value of Instaclustr by 42%. Instaclustr continues to trade strongly and win large deals.

Then in September we reinstated a large portion of the value in Stackla. It's been a very tough year for Stackla. On that note, I would like to express our admiration and thanks to the Stackla team led by founders Damien Mahoney and Pete Cassidy. The Stackla team were forced to deal with a massive unfair blow to the business. They have adapted, rallied, and are thriving.

The Straker Translations share price has lifted to \$1.06 as at 20 October. We believe this is well under fair value for the company.

SLIDE 11 – Paul Wilson

I will now pass you over to Paul Wilson.

Paul Wilson:

Thank you David.

SLIDE 12 – Technology sector returns continue to outperform the market

COVID has produced a lot of uncertainty, but one thing that is clear is that technology adoption is increasing.

Certainly I think most people are using Zoom and other video meeting tools more in both business and their personal lives.

Online retail is booming as well, as people spend more time on their screens than ever, and redirect some funds that otherwise might have been spent on travel or other entertainment.

So its not surprising that the valuations of technology companies generally have bounced back, even more than the general equity markets, as this chart indicates.

We believe that more and more investors will seek to increase allocations to technology companies, and we believe that Bailador Technology Investments provides the ideal way to do that – by giving exposure to a basket of technology companies at the expansion stage.

SLIDE 13 – Bailador favours Software-as-a-Service (SaaS) and Marketplace business models

As David mentioned earlier, Bailador has 10 portfolio companies with enviable financial characteristics.

This chart breaks down the portfolio by business type.

You can see that we strongly favour Software as a Service (SaaS) business models, comprising 80% of the portfolio by value.

This model has very investible characteristics, namely:

- Predictable recurring revenue streams
- The business can scale efficiently without the need for overwhelming capex

- It produces very actionable data to help determine where resources should be allocated, and how heavily to invest in certain areas of the business; and
- SaaS is a business model that can address global markets from an Australian base, which has now been shown by numerous SaaS businesses.

SLIDE 14 – Global software revenue has exploded in the last 20 years

This chart firstly shows something that I think all investors are aware of – that software industry revenue has grown rapidly over the last 30 years.

But something that may be less appreciated is that all of the growth over the last decade has come from Software as a Service.

That is the sort of rapid industry growth that also contributes towards SaaS being a very investible sector.

So rapid industry growth, a very investible model, and a track record of producing successful investments in this sector are all reasons why Bailador continues to see strong investment returns from this area.

SLIDE 15 – The BTI portfolio is conservatively valued

This chart gives an indication of valuation of the Bailador portfolio v SaaS peers.

If you look at ASX listed SaaS companies demonstrating the sort of profile of the combined BTI portfolio, they trade at very attractive valuation multiples.

In fact, BTI could double or triple and still look conservatively valued.

We intend to release some of that valuation upside by producing cash realisations at valuations higher than our current carrying value.

SLIDE 16 – BTI's UK-based LIC comparables trade at an average 8% premium to NTA/share

BTI trades at a discount to NTA.

We technically have a structure as a Listed Investment Company, which historically tend to trade at some discount to NTA.

But we are the only Listed Investment Company in Australia which focuses predominantly on private companies.

In the UK, there are at least 10 listed companies of this nature. You can see that they trade on an average 8% premium to NTA. Half of them trade at more than a 10% premium to NTA.

Over time, as Bailador demonstrates the conservative nature of our NTA valuation, we believe that BTI is also likely to trade at a premium.

The evidence is building: We have had 21 third party transactions in our portfolio companies. All 21 transactions have been at or above our carrying value. None have been below. That is some pretty strong evidence that our NTA is conservative.

We think that another material realisation or two is likely to be the trigger for re-rating of BTI, and narrowing the current discount.

SLIDE 17 – Bailador’s five partial cash realisations have generated premium returns

BTI has had five cash realisations so far, generating a combined IRR of 42.3%pa.

We continue to work towards some very favourable realisations, and continue to see strong deal-flow of attractive new potential opportunities.

SLIDE 18 – The majority of Bailador’s portfolio companies are well advanced

You can see on this slide that our partial cash realisations have come from SiteMinder, Straker, and Lendi, as indicated by the dotted boxes.

We are positioned to achieve further cash realisations from those companies, as well as other advanced companies in the portfolio including Instaclustr, Standard Media Index, and DocsCorp.

SLIDE 19 – The Bailador portfolio companies are well capitalised – no liquidity concerns

This is a snapshot of the 10 companies in the portfolio that many will recognise from our monthly NTA Statements.

We have just added some qualitative indicators of the cash position and sustainability of the business models of our portfolio companies.

None of our companies have had to do emergency cash raises, as so many public companies indeed were forced to do. They all have sustainable models, and have weathered COVID effects well.

We are very pleased with the way the portfolio company management teams have performed through some exceptional times.