

Bailador Technology Investments [ASX:BTI] Shareholder Update

About Bailador

Bailador Technology Investments is a growth capital fund focused on the information technology sector, actively managed by an experienced team with demonstrated sector expertise.

Bailador provides exposure to a portfolio of information technology companies with global addressable markets. We invest in private technology companies at the expansion stage.

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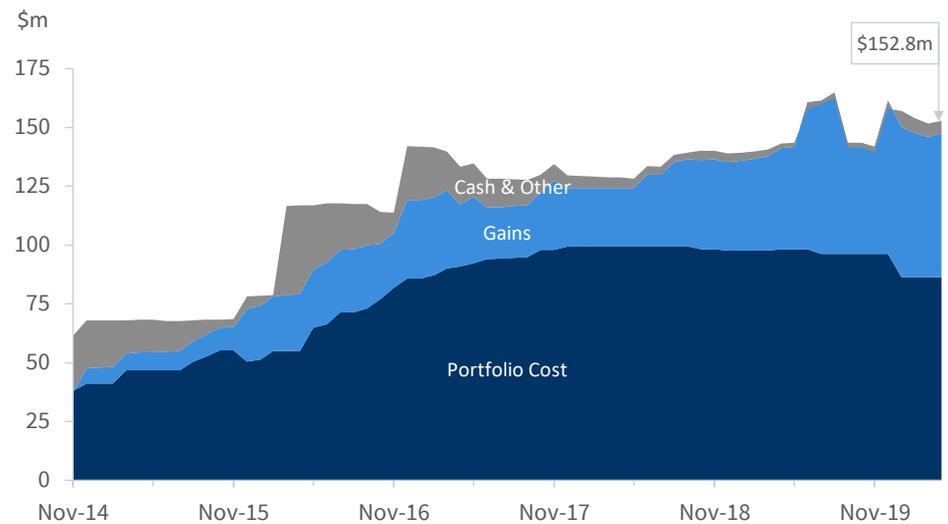
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This report was authorised for release to the ASX by Helen Plesek, Company Secretary & Chief Financial Officer, on 12 May 2020.

Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.24
NTA per share post-tax	\$1.15

Net Tangible Asset Breakdown Since Inception



Founders' Commentary

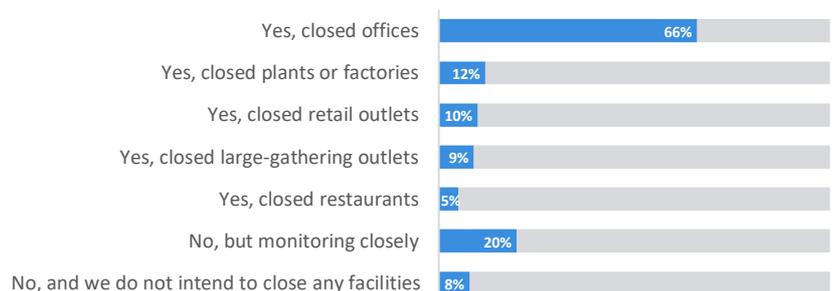
COVID-19 is triggering change in business practices and there are winners from this change

It has been just over two months since the World Health Organisation formally declared COVID-19 a global pandemic. Since then we've seen major cities and entire countries in various forms of lockdown.

Amidst all the concern and confusion, an adaptation not seen since the last world war effort has emerged. We have been forced into working remotely, home schooling our children, watching the latest movies and television series from the couch, dining-in rather than dining-out, and buying clothes and furniture *before* we try.

The vast majority of businesses are changing their practices due to COVID-19:

Have companies taken any actions at the following facilities as a result of COVID-19?



Source: Mercer, April 2020.

Technology is playing a bigger role in our personal and business lives than ever before. Overall, we believe interaction with technology is only going one way – up – and it's not just the consumer facing platforms like Facebook, Netflix, Amazon and Zoom that stand to benefit. Business-to-business platforms are booming too. One of the major advantages of technology companies is they have an inherent flexibility and adaptability to change. We are seeing this within some of our own portfolio in a number of interesting ways:

- **Instaclustr:** COVID-19 has led to surges in online traffic across business and leisure. Demand for cloud services including cloud databases has risen dramatically in areas such as online shopping, e-sports, video communications and entertainment, keeping overall demand resilient despite the abrupt halt in many other sectors of the economy.
- **DocsCorp:** Working from home has become the new normal. DocsCorp's products enhance the productivity of document users in the professional services sector and corporate legal departments. The mission critical nature of its software sees it entrenched in the daily workflow of its users and a vital tool as enterprises place an increased focus on workforce productivity.
- **Straker Translations:** Corporates tend to use the same translation provider for a long period without testing the market. COVID-19 is causing businesses to examine their cost base line by line. Some enterprises are looking for alternative translation providers for the first time in a long time. This provides the perfect opportunity for Straker to showcase their world leading translation solution utilising a combination of machine translation and crowd sourced human translators on a cloud-based platform.
- **Stackla:** Brands are re-inventing how they spend their marketing dollars. User Generated Content (UGC) is a powerful cost-effective solution which is being embraced.
- **Lendi:** Interest rates are at historic lows and households are now looking to maximise their savings. Lendi's platform enables consumers to get a better home loan and their entirely online/phone model has not been impacted by the recent isolation measures which have impacted other face-to-face distribution channels.

We don't profess to be experts in economic forecasting however we do think this crisis will be a net positive for the technology sector. In the current environment we think the best growth opportunities will go to businesses with proven management teams, who are well capitalised with cash to deploy and therefore aren't reliant on investors to survive.

Our portfolio businesses are predominately subscription based and therefore relatively shielded from much of the risks we are seeing at present, so it's much more about positioning to take advantage of opportunities in an ever-changing business landscape.

David Kirk & Paul Wilson
Bailador Co-Founders

Investment Focus

Bailador typically invests \$3-5m in businesses within the technology sector that are seeking growth stage investment.

Companies we invest in typically share the following characteristics:

- Run by the Founders
- Two to six years in operation
- Proven business model with attractive unit economics
- International revenue generation
- Huge market opportunity
- Ability to generate repeat revenue

Important verticals we seek to invest in within the technology sector include: SaaS and other subscription-based internet businesses, online marketplaces, software, eCommerce, high value data, online education, telecommunication applications and services.

Highlights

Movement in NTA

Bailador's NTA per share (pre-tax) increased 1 cent per share from \$1.23 per share at the end of March 2020 to \$1.24 per share at the end of April 2020. The change is due to the increase in the Straker Translations share price to \$0.90 (\$0.68 at end March 2020).



Straker Translations

Straker Translations has released its [latest quarterly activities report](#) to the market. Highlights include a strong capital and liquidity position, combined with appropriate overhead adjustments to put the company in a healthy position to navigate the COVID-19 pandemic. It also states translation services are still in demand with an increase in some sectors, such as media.



Lendi

Lendi has been ranked among the [highest growth companies in the Asia-Pacific region by the Financial Times](#). The newspaper lists the top 500 APAC-based companies using revenue data, with Lendi listed as one of the 34 Sydney-based firms on the list.

David Hyman, Lendi co-founder and CEO [spoke to Domain](#) about the "home loan loyalty tax" caused by borrowers losing out by not shopping around to get the best interest rate on their home loan.

David was also a guest on the [FinTech Australia Podcast](#). He shared his views on the opportunities ahead for the fintech industry as we move into the recovery phase from COVID-19.



Stackla

Stackla has introduced [new analytics and dashboard reports](#) to give its users greater insights into how their user-generated content is performing. Its redesigned platform now includes dashboards on Performance, Commerce, Email, Tile Interactions and Organic Influencers, and combines data from Google Analytics and Tracking Pixel alongside Stackla's existing insights.

Peter Cassidy, co-founder and Chief Product Officer at Stackla, [wrote for SocialMediaToday](#) on why marketers should utilise user-generated content in a post-COVID-19 world.

The City of Adelaide's marketing team have begun using the Stackla platform as part of a digital transformation plan to improve the council's online presence.



SiteMinder

SiteMinder has announced two new initiatives to help hoteliers and travel professionals in the months ahead. The [SiteMinder World Hotel Index](#) contains never-before-released data on the momentum of hotel bookings at a global, country and city level to provide both macro and local insight into when guests are ready to return post-COVID-19.

The company has also launched a new website to support the travel industry, HomeForHotels, which is backed by a number of big industry names including Airbnb. It will be home to the SiteMinder World Hotel Index analysis, as well as hotel stories and industry support programs.



Rezdy

Chris Atkin, Rezdy CEO, [wrote for PhocusWire](#) on the what experience providers can do to minimise the negative impact of COVID-19 while in hibernation mode.

 DocsCorp DocsCorp

DocsCorp has made [compareDocs cloud and cleanDocs server available for free for 90 days](#) to support those working from home during the COVID-19 crisis. The compareDocs cloud and cleanDocs server applications are designed for mobile and remote workers, and can operate as standalone solutions for new users or alongside existing software for current users.

 Instaclustr Instaclustr

Instaclustr was recently featured on the [AWS Open Source blog](#). Instaclustr CTO, Ben Bromhead, discussed the importance and benefits of Open Source software.



SMI

SMI continues to deliver fast and more detailed ad spend updates throughout the COVID-19 crisis with its data being used to give insights on the media landscape in articles by publications such as Media Week, Mumbrella and MediaVillage.



Bailador

Bevin Shields, Investment Director and Head of Investor Relations, took part in the Criisp Venture Investment Summit. The virtual event centred on 'Surviving and Thriving in Extraordinary Times'.

Please note that [Bailador's office has moved](#) this month and we are now located at Suite 3, Level 20, 20 Bond Street, Sydney NSW 2000.

Important Notice

Bailador Investment Management Pty Ltd ACN 143 060 511 ('Manager') has prepared the information in this announcement. This announcement has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in BTI, nor does it constitute financial product or investment advice, nor take into account your investment, objectives, taxation situation, financial situation or needs. Any investor must not act on the basis of any matter contained in this announcement in making an investment decision but must make its own assessment of BTI and conduct its own investigations and analysis. Past performance is not a reliable indicator or future performance.

BTI Portfolio Net Tangible Asset Summary

	Valuation (\$'m)	Gain (%)		NTA per share (\$)	Third Party Event Valuation	Next Valuation Review ¹
SiteMinder	82.5	1996%	▲	0.67	✓	June 2020
Instaclustr	19.0	323%	▲	0.15		August 2020
DocsCorp	10.9	119%	▲	0.09		June 2020
Lendi	10.7	112%	▲	0.09	✓	November 2020
SMI	9.6	30%	▲	0.08		June 2020
Rezdy	5.9	64%	▲	0.05		June 2020
Straker Translations	5.8	33%	▶	0.05	✓	Mark to market each month end
Brosa	3.0	0%	▶	0.02	✓	October 2020
Stackla	-	-100%	▼	-		September 2020
Viostream	-	-100%	▼	-		September 2020
Cash	4.7			0.04		
Other ²	0.7			0.00		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	152.8			1.24		

Denotes change to valuation in current month

Denotes valuation review in next six months

¹ Next valuation review date refers to the date of the next formal valuation review. Valuation events can also occur in a shorter time frame where there is a third-party investment

² Includes Performance Fee accrual

Please Note

Figures in this report are unaudited and exclude tax.

The current value for each investment in the table above is consistent with the BTI investment valuation policy, which may be found in the BTI prospectus lodged with ASIC on 3rd October 2014 and available on the ASX website.

Portfolio Company Details


instacluster


Name:	SiteMinder	Instacluster	DocsCorp	Lendi	SMI
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


BROSA


Name:	Rezdy	Straker Translations	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