

# 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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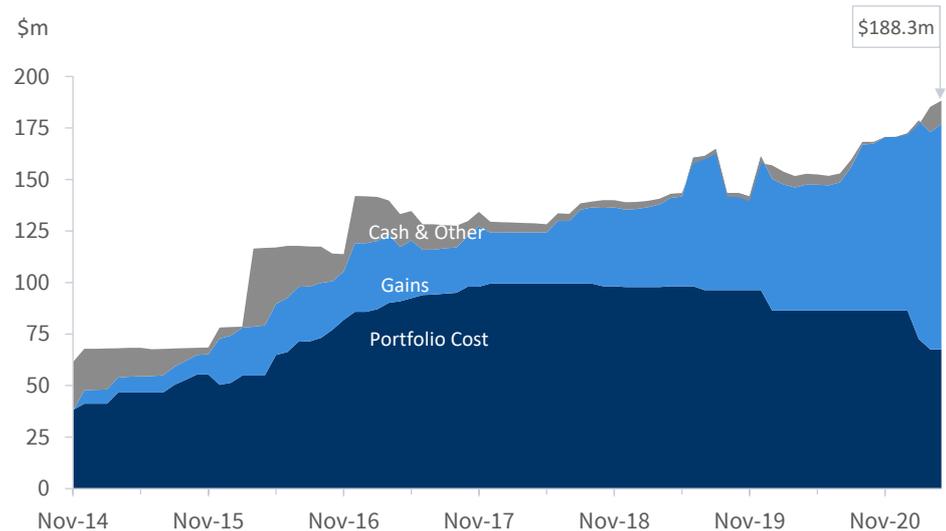
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This report was authorised for release to the ASX by Helen Plesek, Company Secretary & Chief Financial Officer, on 13 May 2021.

## Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.53
NTA per share post-tax	\$1.35

## Net Tangible Asset Breakdown Since Inception<sup>1</sup>



<sup>1</sup>BTI completed a successful \$20m placement to institutional and sophisticated investors in April. As the placement did not settle until May, the proceeds and NTA per share impact will be included in the May monthly Shareholder Update.

## Founders' Commentary

**Eighth cash realisation above carrying value for BTI; Successful \$20m placement completed, with opportunity for all shareholders to participate at the same price.**

BTI has completed its eighth cash realisation – once again above carrying value. BTI also completed a successful \$20m private placement to continue our program of investment in proven high growth technology companies at the expansion stage. All BTI shareholders (at the record date) are eligible to participate in a Security Purchase Plan (SPP) at the same price as the placement.

### Lendi cash realisation 21% above carrying value

BTI has realised its full investment in Lendi for **\$13m cash**. The realisation valuation is a **21% uplift to the Lendi carrying value**, an increase of \$2.3m (\$0.02 NTA per share pre-tax). It represents an **internal rate of return (IRR) of 21%** and **2.4x multiple of investment cost**.



The cash realisation was achieved as part of the previously announced merger between Lendi and Aussie Home loans, which has now completed. Further details of Bailador’s investment in Lendi are attached as an appendix to this shareholder update, and the ASX announcement by BTI is available [here](#). As the realisation completed on 4<sup>th</sup> May 2021, Bailador has increased the carrying value of Lendi in April and the realisation will be reflected in the May Shareholder Update.

We are very happy with our investment journey with Lendi. We have enjoyed working with the excellent Lendi management team, who have built a strong business, and we wish them well in the next phase of their journey.

This cash realisation is the eighth for BTI, all of which have been above carrying value. Realisations above carrying value indicate that the NTA disclosed by BTI historically has proven to be conservative.

### Successful \$20m private placement

BTI announced a successful private placement during April of \$20m to institutional and sophisticated investors. On 27<sup>th</sup> April, BTI called a two-day trading halt in its shares in order to conduct the placement. The placement was completed oversubscribed and ahead of time, with trading resuming after only one day. Details of the placement are as follows:

Share Price	\$1.37
Discount to closing on 26 <sup>th</sup> April	4.5%
Discount to 5-day VWAP	4.9%
Discount to pre-tax NTA (pro-forma)	10.5%

The capital raised will be applied to investments in Bailador’s focus area of high growth private technology companies, which Bailador can access at attractive valuations before the companies are public. Opportunities are likely to emerge to access follow on investments in attractive companies already in the portfolio which Bailador knows well. The Bailador team is now actively working on a number of new investment opportunities in high growth technology companies to add to the portfolio.

### Opportunity to invest through SPP

**All BTI shareholders as at the record date of 27<sup>th</sup> April have the opportunity to participate in the capital raising at the same price of \$1.37 paid by institutional and sophisticated investors** in the private placement. Shareholders may elect to invest up to \$30,000 through the Security Purchase Plan, with no brokerage fees.

Each shareholder should have received details of the SPP by their preferred method of communication. A presentation providing an up-to-date overview of Bailador Technology Investments and the portfolio of investments has been released to the ASX, and is available [here](#). The SPP offer period is open from 6<sup>th</sup>-18<sup>th</sup> May. Shareholders can also access forms via the online portal by clicking [here](#). Please ensure that payment and completed forms are received by BTI by 18<sup>th</sup> May if you wish to take part.

We are proud to provide all BTI shareholders the opportunity to participate on the same terms as institutional investors, and welcome investment by those shareholders who would like to participate.

**David Kirk & Paul Wilson**  
Bailador Co-Founders

## Highlights

### Investment Focus

Bailador typically invests \$5 million or more 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.

### Movement in NTA

BTI's NTA per share (pre-tax) has increased 3 cents per share to \$1.53.

Key movements are as follows:

Increase in valuation of Lendi (realised in May)	1.8c per share
Increase in Straker Translations share price to \$1.76	1.5c per share
Other operating costs <sup>1</sup>	-0.3c per share

<sup>1</sup>Includes accrued performance fee. The performance fee hurdle has been reached. If NTA remains above the hurdle at 30 June 2021, the fee will be payable.

BTI completed a successful \$20m placement to institutional and sophisticated investors in April. As the placement did not settle until May, the proceeds and NTA per share impact will be included in the May monthly Shareholder Update.



### SiteMinder

SiteMinder added functionality for its [Demand Plus customers to receive bookings through Trivago](#), the world's largest hotel price comparison website. SiteMinder's Demand Plus enables hotels to have their metasearch setup, billing and search engine marketing campaigns managed entirely by SiteMinder.

Mark Renshaw, Chief Marketing Officer at SiteMinder, spoke to the CMO Australia magazine about [SiteMinder's brand journey and evolution into an all-encompassing platform for hotels](#).

### Instaclustr

Instaclustr [partnered with the University of Canberra to develop and deliver professional courses](#) for software engineers. Students will learn about open source software, and have the opportunity to become an Instaclustr certified developer for Apache Kafka.

Instaclustr [expanded its product offering to include Managed Apache ZooKeeper](#). The new addition expands Instaclustr's offerings for deploying, managing, analysing, optimising, and monitoring all components of enterprises' data layer and related infrastructure.



### Lendi

[As announced in Bailador's update to the ASX on Tuesday 4<sup>th</sup> May](#), Lendi has successfully completed its merger with Aussie Home Loans and Bailador will realise \$13m cash from the sale of its investment in Lendi. The transaction represents a 21% uplift to BTI's current carrying value for Lendi, a IRR of 21% on investment and a 2.4x multiple of investment cost. Bailador has increased its valuation of Lendi in April with the cash realisation to be reflected in the May Shareholder Update.



### Straker Translations

Straker [reported continued growth in its Q4 FY21 announcement to the ASX](#). The company said it has made strong progress towards the realisation of the opportunities emerging from its recent acquisition of the US-based Lingotek and the strategic alliance with IBM.

**Standard  
Media  
index****Standard Media Index**

Standard Media Index announced [Dave Dembowski has joined the company as Vice President of Sales](#). Dave brings 20 years of leadership experience within media and technology and will oversee the company's sales strategy and new business development.

**Rezdy**

Rezdy has been placed among the fastest growing technology companies in the Asia Pacific region thanks to its inclusion in the [Deloitte 2020 Fast 500 APAC awards](#).

**BROSA Brosa**

Brosa launched a new video series to inspire customers and showcase the homes of guests from across Australia. The [Brosa at Home series](#) began with a look at the Sydney home of Natalia Roser, a model, social media influencer and business owner.

Brosa [introduced a new paid parental leave policy](#) as it strives to further embed flexible and inclusive work practices. The new policy offers 16 weeks paid leave to both primary and secondary caregivers in the first 12 months after their child is born or adopted. Anna Stockley Davidson, Chief Operating Officer at Brosa, spoke to SmartCompany about the new policy.

**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 <sup>1</sup>
SiteMinder	82.5	1996%	▲	0.67	✓	June 2021
Instaclustr	40.4	797%	▲	0.33		March 2022
Lendi	13.0	157%	▲	0.11	✓	Realised May 2021
Stackla	11.5	3%	▲	0.09		September 2021
Straker Translations	11.3	160%	▲	0.09	✓	Mark to market each month end
SMI	9.6	30%	▲	0.08		June 2021
Rezdy	5.7	60%	▲	0.05		June 2021
Brosa	3.0	0%	▶	0.02	✓	October 2021
Cash	16.2			0.13		
Other <sup>2</sup>	-4.9			-0.04		
<b>Net Asset Value / Net Asset Value Per Share (Pre Tax)<sup>3</sup></b>	<b>188.3</b>			<b>1.53</b>		

Denotes change to valuation in current month

Denotes valuation review in next six months

<sup>1</sup> 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.

<sup>2</sup> Includes accrued performance fee. The performance fee hurdle has been reached. If NTA remains above the hurdle at 30 June 2021, the fee will be payable.

<sup>3</sup> BTI completed a successful \$20m placement to institutional and sophisticated investors in April. As the placement did not settle until May, the proceeds and NTA per share impact will be included in the May monthly Shareholder Update.

### 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 3<sup>rd</sup> October 2014 and available on the ASX website.

## Portfolio Company Details



Name:	SiteMinder	Instaclustr	Lendi	Stackla
Type:	SaaS/B2B	DBaaS/B2B	Fintech	SaaS/B2B/UGC
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	Australia's #1 digital home loan provider disrupting the multi-billion-dollar mortgage industry	Leading tech platform for brands to leverage User Generated Content (UGC) in their marketing strategy
HQ:	Sydney	Canberra	Sydney	San Francisco
Staff:	500-750	100-250	250-500	1-50



Name:	Straker Translations	SMI	Rezdy	Brosa
Type:	Marketplace/Machine Learning	SaaS/Big Data	SaaS	Online Retail/B2C
About:	Digital language translation services provider and one of the world's fastest growing translation companies	Big data aggregation and analysis platform with exclusive access to ad expenditure data	Leading, innovative and fast growing online channel manager and booking software platform for tours & activities	Tech-led, vertically integrated furniture brand and online retailer
HQ:	Auckland	New York	Sydney	Melbourne
Staff:	100-250	1-50	50-100	1-50

## Lendi Overview

Founded in 2013 by David Hyman, Sebastian Watkins, Martin Lam and Mark Kalajzich, Lendi is an online home loan platform that compares 35+ major lenders and radically simplifies the process of applying for a home loan. Lendi has combined technology, data and smart integrations to make the home loan selection and application process more efficient. The business operates its own brand, Lendi, and powers the Domain Loan Finder product. Prior to its merger with Aussie Home Loans, Lendi had a team of ~500 across Australia.

## Investment Thesis

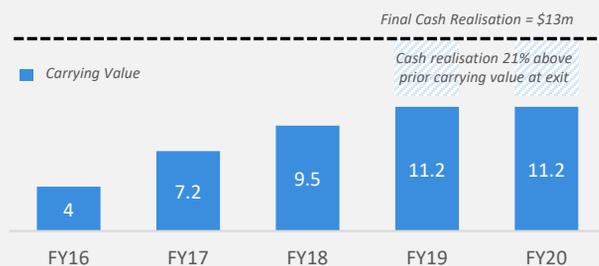
Over 2016 and 2017 Bailador invested \$5.5m of expansion capital into Lendi to enable the team to bring to market Lendi's innovative online home loan platform. Bailador's investment in Lendi was built on the following investment thesis:

- The opportunity to disrupt the \$1.7 trillion home loan market which was being driven by a strong founder-led management team with significant skin in the game
- The business had a tech-first platform that delivered a superior customer experience and step-wise improvement in the time and cost of settling a home loan, delivering a positive outcome for both the consumer and lender
- Lendi had already reached material revenue scale and was demonstrating strong product-market fit with a clearly defined product roadmap for continuing strong growth
- The company's operating model was highly scalable with attractive unit economics

## Investment Outcome

- In December 2020 Lendi announced that it had agreed to merge with Aussie Home Loans and Lendi shareholders would own 55% of the merged entity
- As part of the Lendi and Aussie merger transaction, existing Lendi shareholders had the opportunity to sell their shares
- Bailador elected to sell 100% of its investment in Lendi in May 2021 which delivered a cash realisation of \$13m
- Bailador achieved a total cash realisation of \$13.4m having realised \$0.4m cash in November 2018

BTI Carrying Value & Final Cash Realisation (\$'m)



**\$5.5m**

cash invested

**\$13.4m**

total cash realised

**2.4x**

multiple of investment

**21%**

internal rate of return

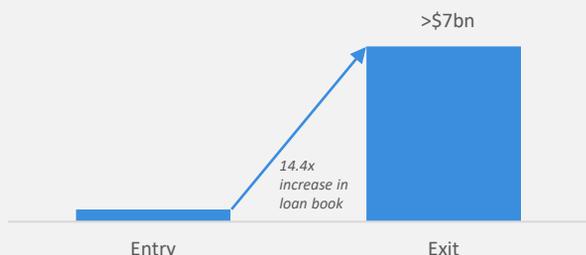
## Bailador & Lendi Partnership

Bailador invested \$4m of expansion capital in the Click Loans Group (now Lendi) in 2016 to bring to market the founders' vision of an end-to-end online digital home loan platform. Bailador again supported the founders in 2017 with an additional \$1.5m investment to accelerate the growth of the Lendi platform.

The Bailador team were observers on the Lendi board since the beginning of the Lendi partnership, providing support and strategic guidance as the business launched the Lendi home loan platform and scaled up its presence.

## Select Lendi Performance Indicators

Loan Book Increase (\$'Bn)



Market Share Increase

