

Bailador Technology Investments [ASX:BTI] Shareholder Update

About Bailador

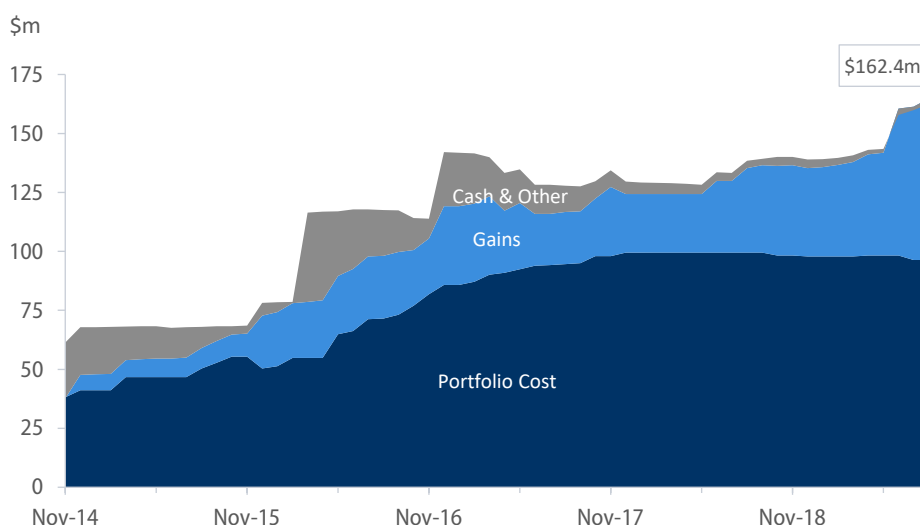
Bailador Technology Investments is a growth capital fund focused on the information technology sector, actively managed by an experienced team with demonstrated sector expertise.

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

Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.35
NTA per share post-tax	\$1.23

Net Tangible Asset Breakdown Since Inception



Founders' Commentary

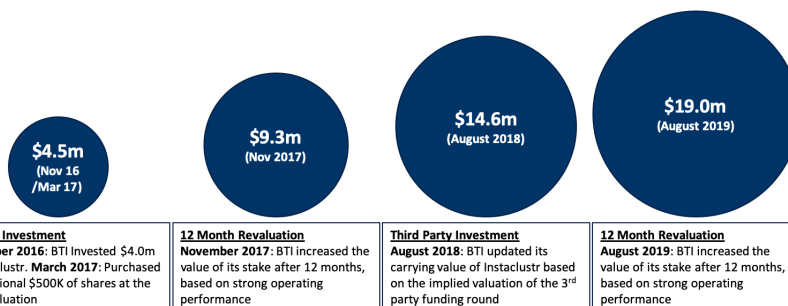
Instaclustr Revaluation

Bailador has revalued its investment in Instaclustr up by 30% as at 31st August to reflect its strong operating performance over the last 12 months. BTI's investment is now held at \$19.0m, representing 4.2x cost at an IRR of 69%.

Readers may recall that Instaclustr raised A\$21m in August 2018 in a round led by New York-based growth equity fund, Level Equity. As it has been 12 months since that third party investment, Bailador has conducted a valuation review, in line with our consistently applied valuation methodology.

Connect to Bailador

- @bailadorvc
- Bailador Technology Investments
- medium.com/bailador
- www.bailador.com.au
- investorservices@bailador.com.au
- +61 2 9223 2344
- [Subscribe to get Bailador updates](#)



Original Investment November 2016: BTI Invested \$4.0m in Instaclustr. March 2017: Purchased an additional \$500K of shares at the same valuation	12 Month Revaluation November 2017: BTI increased the value of its stake after 12 months, based on strong operating performance	Third Party Investment August 2018: BTI updated its carrying value of Instaclustr based on the implied valuation of the 3 rd party funding round	12 Month Revaluation August 2019: BTI increased the value of its stake after 12 months, based on strong operating performance
---	---	---	---

Since the \$21m investment round a year ago, Instaclustr has built out support for additional technologies such as Apache Kafka, which has already gained meaningful traction with customers. The addition of Kafka has enabled Instaclustr to evolve from being a 'Database-as-a-Service' provider to an 'Open-Source-as-a-Service' provider with a platform that supports multiple Open Source big data

technologies. This multi-tech platform offering has already helped the company win new deals and further differentiate itself.

The company has also invested in additional sales resources, led by a new US-based VP of Sales, to connect Instaclustr with large global enterprises that are looking for assistance managing their Open Source big data technologies.

We expect the investment in new technologies and sales resources to pay off in 2020 as Instaclustr continues to address a large and growing market opportunity.

Stackla access to Facebook platform

On 2nd September, [Bailador released an announcement to the ASX](#) which relayed a statement from one of our portfolio companies, Stackla. Some excerpts of that announcement are:

“Today, Stackla had its access the Facebook platform suspended. We believe this is a mistake or misunderstanding from within Facebook and we look forward to working with them to have access restored quickly.”

“Stackla is a content marketing platform, used by consumer brands to discover the best photos and videos posted by users, and obtain permission from them to use in their marketing activities. We work with all of the large social networks such as Facebook, Twitter, YouTube and Instagram, from which we collect public content. Public content only, nothing private.”

This event is a serious one for the Stackla business. If not remedied quickly, it may have a material impact on the value of the business, and BTI’s investment in Stackla.

It is currently unclear what the impact will be on the valuation of BTI’s investment in Stackla. The board and management of Stackla remain hopeful of a speedy resolution to what is believed to be a misunderstanding of the facts.

Bailador is monitoring the situation closely. At this stage, the valuation of our investment in Stackla remains unchanged. As the situation progresses, we will continue to re-examine the valuation of Bailador’s position.

It is of note that the investment by BTI has structural seniority to the ordinary equity of Stackla, with the effect that BTI can realise the cost base of its investment at a lower valuation than that implied by the percentage equity ownership. The \$11.2m cost base of BTI’s investment in Stackla represents 89% of the \$12.6m carrying value of the investment.

David Kirk & Paul Wilson
Bailador Co-Founders

Highlights

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.

Instaclustr

Bailador revalued Instaclustr up by 30% in August to reflect the continued progress the business made over the last 12 months.

Instaclustr's Kaushik Mysur wrote about [the industry trends driving the need for Open Service Brokers](#) for The Container Journal.

SiteMinder

SiteMinder was featured in The Australian as [the country's latest 'soonicorn', "a company well on its way to becoming a billion-dollar tech business"](#). Journalist David Swan interviewed SiteMinder CEO Sankar Narayan and Bailador co-founder Paul Wilson on how the SiteMinder's latest revenue figures were a key milestone on its journey to becoming a tech unicorn.



Straker Translations

Straker's first Annual General Meeting as a listed company was held on August 28th. Co-founder and CEO Grant Straker addressed the meeting and said his highlight for FY19 was listing on the ASX. All resolutions were passed.

CEO Grant Straker also presented at the ASX Small and Mid-Cap Conference at Sydney International Convention Centre.

Straker is currently hiring for a number of new positions including Financial Controller in Barcelona and Global Brand Story Specialist in Auckland.



SMI

SMI will be [celebrating its 10th anniversary with an event](#) to launch its first product category ad spend forecasts to help sales teams and marketers pinpoint growth opportunities. The breakfast will be held in Sydney on September 26th and is sponsored by Google, with Bailador co-founder David Kirk as the MC. SMI's new report on Trans Tasman Ad Spend will also be launched on the morning by communications minister Paul Fletcher. Tickets are available to buy [here](#).

SMI Co-Founder and Managing Director for Australia/New Zealand, Jane Ratcliffe, presented the company's first auto brand level ad spend estimates at the Mumbrella Auto Summit. The report was created with Australia's only independent ad monitoring group, Big Dadr.

BROSA **Brosa**

Brosa has [opened its first retail store, Studio+](#), in Melbourne's Fitzroy. The space is designed to be unlike an ordinary showroom or shop and has been built to make furniture shopping an effortless experience. Studio+ is open seven days a week and allows walk-in customers as well as offering bookable one-on-one style consultations with interior designers. The original Brosa Studios, based in Melbourne and Sydney, are accessible by appointment only.

DocsCorp

DocsCorp has announced the [new role of Director, Partnerships & Alliances](#) will be filled by Joe Combs, who has extensive experience in the document management sector. Joe will be based in Paris and is responsible for growing mutually successful relationships between the company and its [network of partners and resellers](#).

Continued over

DocsCorp has launched an integration between its data loss prevention software cleanDocs and the Security Policy Manager from iManage, an email and document management platform. The partnership will help organisations to prevent accidental data loss through email to unintended and unapproved recipients.



Rezdy

Rezdy has [announced a new partnership with ANZCRO](#), an established travel company specialising in curated itineraries for customers visiting Australia and New Zealand.

[Rezdy teamed up with Square](#), a payments provider that allows small businesses to accept credit card payments. Rezdy customers can now sync their Rezdy app to their Square reader, allowing customers to pay for transactions simply by tapping their bank card.



Lendi

Lendi co-founder and CEO [David Hyman appeared on the Real Estate Talk podcast](#) where he spoke about why it pays to shop around for a home loan.



Stackla

As disclosed in [Bailador's statement to the ASX](#), our portfolio company Stackla unexpectedly had its status as a Facebook Marketing Partner revoked. Stackla co-founder and CEO, Damien Maloney, believes this to be a mistake or misunderstanding by Facebook and his team is working to rectify the issue. We will be keeping shareholders informed as the matter progresses. The issue was [reported by Australian Financial Review](#) journalist Paul Smith.



Bailador

Bailador co-founder [David Kirk wrote for the ASX Investment & Finance newsletter](#) on investing in emerging technology companies.

Co-founder [Paul Wilson presented at the ASX Small and Mid-Cap Conference](#) at Sydney International Convention Centre and also [filmed an interview with Proactive Investors](#) at the event.

Bailador [published our 2019 Annual Report](#) this week, the full document was released to the ASX and is available to view online. Shareholders were also sent [notice of our Annual General Meeting](#) due to be held at 11am on Tuesday 22 October 2019 at Level 40, 2 Park Street, Sydney.

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	72.9	427%	▲	0.61		June 2020
Instaclustr	19.0	323%	▲	0.16		August 2020
Stackla	12.6	13%	▲	0.10	✓	October 2019
Straker Translations	12.4	185%	▲	0.10	✓	Mark to market each month end
DocsCorp	10.9	119%	▲	0.09		June 2020
Lendi	10.7	112%	▲	0.09	✓	November 2019
SMI	9.6	30%	▲	0.08		March 2020
Viostream	7.8	-72%	▼	0.06		June 2020
Rezdy	5.9	64%	▲	0.05		February 2020
Brosa	3.0	0%	▶	0.02	✓	October 2019
Cash	2.2			0.02		
Other ²	-4.6			-0.03		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	162.4			1.35		

Denotes change to valuation in current month

Denotes valuation review in next six months

¹ Next valuation review date refers to the period 12 months since the last valuation movement. 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



Name:	SiteMinder	Instaclustr	Stackla	Straker Translations	DocsCorp
Type:	SaaS/B2B	DBaaS/B2B	SaaS/B2B/UGC	Marketplace/Machine Learning	SaaS/Document Productivity
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	Leading tech platform for brands to leverage User Generated Content (UGC) in their marketing strategy	Digital language translation services provider and one of the world's fastest growing translation companies	Global leader in the rapidly growing Document Productivity segment
HQ:	Sydney	Canberra	San Francisco	Auckland	Sydney
Staff:	750-800	50-100	50-100	100- 150	100-150



Name:	Lendi	SMI	Viostream	Rezdy	Brosa
Type:	Fintech	SaaS/Big Data	SaaS/Video	SaaS	Online Retail/B2C
About:	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	Cloud-based end-to-end platform for the creation, management and distribution of video	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:	Sydney	New York	Sydney	Sydney	Melbourne
Staff:	400-450	1-50	1-50	50-100	1-50