



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

December 2020

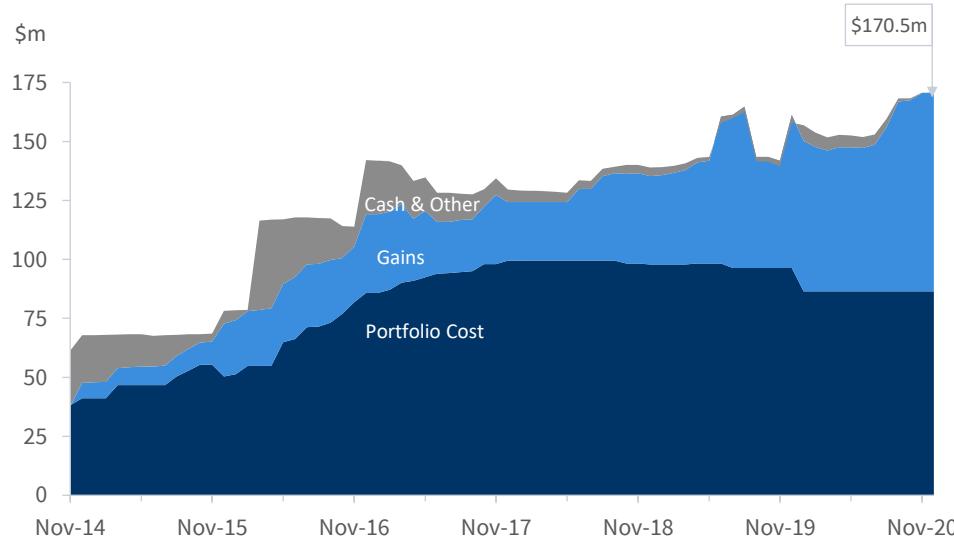
# Bailador Technology Investments [ASX:BTI]

## Shareholder Update

### Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.39
NTA per share post-tax	\$1.25

### Net Tangible Asset Breakdown Since Inception



### Founders' Commentary

#### 2020 Year in Review

Despite the challenges 2020 was a great year for the Bailador portfolio. Our portfolio companies proved resilient to the major disruption caused by COVID-19. We remain very focused on realisations and expect to see some significant progress in the next six months.

The year started with SiteMinder closing a \$100 million plus capital raising in January, led by BlackRock at a \$1 billion valuation. In February the first rumblings of the COVID-19 pandemic were on us. In a four-week period from late February to late March the ASX200 share index fell 37% and by the end of March we were in the middle of a comprehensive, fund-wide response to the pandemic.

We said in our March monthly commentary that “*conservative revenue forecasts and decisive action on operating costs to match projected revenue will, we believe, see each of our companies emerge from the downturn leaner and well positioned to return to strong growth after the worst of the economic effects of COVID-19 have passed*”.

Two months later in May we confidently predicted: “*Our portfolio is in great shape, we are delighted with the responses of our founders and managers to the crisis and expect our portfolio companies to continue to flourish long into the future.*”

So it has proved to be. The portfolio is in great shape.

At the financial year end in June, after rigorous internal review and review by an Independent Expert, we confirmed there had been no change in the carrying valuation of our largest investment, **SiteMinder**. Key to this was the recurring SaaS-based subscription revenue of SiteMinder as opposed to many other travel

industry businesses that rely on transaction revenue. SiteMinder continues to perform well but a return to strong growth will have to wait until more regular travel returns.

In August our investment in **Instaclustr** was marked up 42% to \$27.1m, making it the second largest investment in the portfolio and already valued at 6x our cost. Since then, the business has continued to power ahead and we couldn't be happier with its prospects. Stay tuned!

In the same month **Brosa** announced a successful fundraising on the back of triple digit revenue growth for the business through the COVID shutdowns. Revenue growth continues to far outstrip the comparable period last year.

In our report on the September month, we announced we were reinstating the valuation of **Stackla** to where it was prior to Facebook temporarily excluding Stackla from its platform a year before. Stackla continues to perform well with a significantly lower cost base.

The last two months of the year delivered more good news.

In November **Straker Translations** announced a game-changing contract had been signed with IBM. Straker has become a Strategic Translation Service Provider to IBM and has agreed to provide translation services for 55 languages, up from the previous one. The Straker share price closed up 76% on the day of the announcement.

In December, just before the Christmas break, **Lendi** and the Commonwealth Bank announced the merger of Lendi and Commonwealth Bank owned Aussie Home Loans. Lendi is valued at 55% of the combined entity. When the transaction completes in 2021, Bailador will review the valuation of our investment in Lendi.

**Rezdy** operates in the travel sector, and after a significant initial fall in revenue, bounced back very strongly in the back half of the year. This in part reflects the surge in regional activity, where Rezdy is strong, as well as the nimble response of management. Rezdy remains the global leader in connecting tours and activities suppliers to sources of bookings.

The remaining three portfolio companies **DocsCorp**, **SMI** and **Viostream** are all profitable and generating significant cash. Growth rates dipped during the year while cash flow generation increased. All three companies have improved their relative competitive position over the year.

Four things about 2020 please us more than anything:

1. In 2020 we definitively validated our investment strategy. Our focus is expansion-stage, founder and product led businesses with huge addressable markets, well-established business models and strong unit economics. This strategy has largely led us to high-quality Software-as-a-Service businesses. Recurring revenue at high margins has been gold in 2020.
2. At a time when emergency capital raisings were commonplace, none of the Bailador portfolio companies required emergency capital raises during the year, despite COVID disruption. This is testament to the strength of the businesses, and the planning and adaptability of the management teams.
3. In 2020 our conservative valuation approach has been further validated. There have now been 20 third party investments into BTI investee companies and not one has been at a valuation lower than our holding value at the time.
4. In February 2020 BTI paid its first special dividend to shareholders following the partial cash realisations of SiteMinder and Straker. BTI also implemented a DRP allowing participating shareholders to reinvest their

fully franked dividend into new BTI shares which, as at 31 December 2020, were trading at a 9% premium to the DRP price.

We look forward to a successful 2021. We remain very focused on realisations and expect to see some significant progress in the first six months of the 2021 calendar year.

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

## 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.

## Highlights

### Movement in NTA

Bailador's NTA per share (pre-tax) is unchanged this month.

#### SiteMinder SiteMinder

SiteMinder was due for valuation review as at 31 December 2020. Despite the impact of COVID-19 on the travel industry SiteMinder's robust subscription revenue model and key position in the hotel room distribution value chain has seen it continue to perform well with minimal financial impact. Through COVID-19 SiteMinder has demonstrated its characteristics as a Software-as-a-Service (SaaS) business and been valued accordingly. There is no change to the valuation.

SiteMinder's James Bishop, Senior Director for Global Demand Partnerships, [spoke to The Caterer about how brands should use guests' online reviews](#) and how SiteMinder's Hotel App Store can help.

#### Instaclustr Instaclustr

Instaclustr has produced a [graphic to show the company's 2020 Year in Review](#). Look back on the successful year for Instaclustr here.

#### DocsCorp DocsCorp

DocsCorp [CEO Dean Sappey has posted a message reflecting on the past year](#) and looking ahead to 2021.



#### Lendi

As detailed in [Bailador's release to the market](#) on Wednesday 16<sup>th</sup> December, [Lendi has announced it has entered into an agreement to merge with Aussie Home Loans](#). The transaction is subject to ACCC approval and other conditions. Completion is expected to occur by mid calendar year 2021, at which point we will review our carrying value of Lendi.

Lendi CEO [David Hyman spoke to The Sydney Morning Herald](#) following the merger announcement and said he predicts record growth in the mortgage market over the next 12 months. The announcement was also [reported in the Australian Financial Review](#).

#### Standard Media Index

SMI CEO James Fennessy announced that SMI's US data pool increased 30% in December thanks to the addition of global agency, GroupM, along with a number of leading independent agencies to its coverage.

#### Stackla Stackla

Stackla [announced a number of new features](#) in December. These include Google Ads for UGC Widgets, improvements to the Stackla Browser Extension, and improvements to its Organic Influencer tool. More than 40 new plugins were added to Stackla's Plugin Directory in 2020 – most recently the WebDAM plugin, a cloud-based digital asset management solution that helps businesses streamline workflows by consolidating visual content on a central platform.

Stackla has produced a [guide to help brands be more inclusive in their digital marketing](#), including how user generated content can offer more diverse and authentic content.

 **Bailador**

Inside Markets released the fifth and [final video in its series featuring Paul Wilson](#) giving his expert insights into investing in technology businesses. The full series is now available to watch via our website.

**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 of 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	27.1	501%	0.22		August 2021
Stackla	11.5	3%	0.09		September 2021
DocsCorp	10.9	119%	0.09		June 2021
Lendi	10.7	112%	0.09	✓	November 2021
SMI	9.6	30%	0.08		June 2021
Straker Translations	9.6	122%	0.08	✓	Mark to market each month end
Rezdy	5.7	60%	0.05		June 2021
Brosa	3.0	0%	0.02	✓	October 2021
Viostream	-	-100%	-		September 2021
Cash	2.4		0.02		
Other <sup>2</sup>	-2.5		-0.02		
<b>Net Asset Value / Net Asset Value Per Share (Pre Tax)</b>	<b>170.5</b>		<b>1.39</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 but not yet payable performance fee where performance fee hurdle has not been reached.

### 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:	<a href="#">SiteMinder</a>	<a href="#">Instaclustr</a>	<a href="#">Stackla</a>	<a href="#">DocsCorp</a>	<a href="#">lendi</a>
Type:	SaaS/B2B	DBaaS/B2B	SaaS/B2B/UGC	SaaS/Document Productivity	Fintech
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	Global leader in the rapidly growing Document Productivity segment	Australia's #1 home loan provider disrupting the multi-billion-dollar mortgage industry
HQ:	Sydney	Canberra	San Francisco	Sydney	Sydney
Staff:	500-750	100-250	1-50	100-250	250-500



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