

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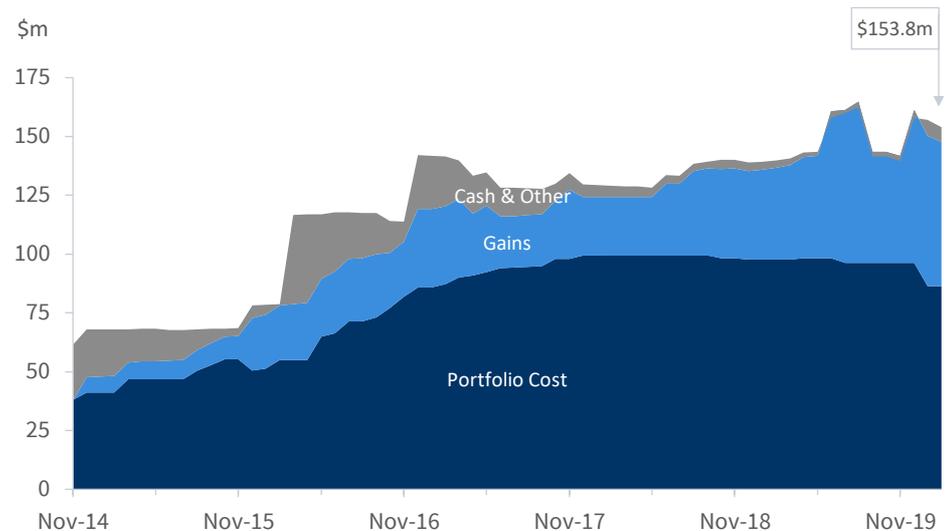
This report was authorised for release to the ASX by Helen Plesek, Company Secretary & Chief Financial Officer, on 12 March 2020.

Bailador Technology Investments [ASX:BTI] Shareholder Update

Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.28
NTA per share post-tax	\$1.18

Net Tangible Asset Breakdown Since Inception



Founders' Commentary

Understanding the risks that really matter

The global fallout from COVID-19 (the Coronavirus) provides a good opportunity for us to reflect on the nature of the risks faced by our portfolio companies.

We believe the three main risks our portfolio companies face are:

- Competitive risk
- Financial risk, and
- People risk

We discuss each of these risks briefly below.

Competitive risk: The Bailador portfolio companies are all new businesses, built by founders who saw an opportunity to displace old, inefficient and often ineffective ways of doing things. They were once start-ups and are now established businesses growing fast and taking market share from out-dated incumbents.

Accordingly, the competitive risk for our portfolio companies comes not from established competitors but from even newer technologies and competitors. 92% of the Bailador portfolio company revenues are derived from SaaS and marketplace business models. In both these business models scale and incumbency confer important competitive advantages. We invest and work hard with our companies to establish market leadership and we are always on the lookout for new technologies we may need to react to.

Financial risk: The main financial risk faced by high growth technology companies is cash flow management. Hiring people, marketing and building new products all

consumes cash. Adding new customers, renewing customers, selling new products and increasing prices all provides cash. We work very closely with all our portfolio companies to balance the consumption of cash and the generation of cash. We provide assistance with financial reporting, the pace of investment and when required fund raising.

The overwhelming majority of revenue for the BTI portfolio is recurring rather than one-off



¹Based on revenue for the year ended 31 December 2019 and weighted based on carrying value in the portfolio.

People risk: To a much greater extent than large, long-standing businesses, expansion stage information technology businesses are at risk from the loss of founders and the inability to find top class talent, particularly in senior finance, technology and sales leadership roles. To a lesser extent we battle with finding high quality developers and product managers in Australia and New Zealand. We maintain extensive databases of potential new hires, we have many relationships with search consultants and we are constantly tapping our personal networks to find the best people for our portfolio companies. It is a never-ending job.

Readers will notice that none of the major risks our portfolio companies face has anything to do with geography, macroeconomics or viral pandemics.

Almost all the Bailador portfolio companies sell business critical software to businesses. 87% of this revenue is recurring and the heavy majority of this recurring revenue is subscription revenue. Even in circumstances in which market activity declines somewhat, customers will not cancel their subscription, given their need to continue to take bookings, process documents, manage databases, acquire customers and so on.

There may be some temporary slowing of growth in some of the Bailador portfolio companies as people travel less and economies slow for a period, but we believe this will not be great. In the meantime, we will remain focused on what really counts for all our portfolio companies – competitive advantage, sound financial management and great people.

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.

Movement in NTA

Bailador's NTA per share (pre-tax) fell by 2 cents per share from \$1.30 per share at the end of January 2020 to \$1.28 per share at the end of February 2020. The change is the result of Straker Translations' share price dropping to \$0.915 throughout the month.

After 12 months of strong growth Rezdy was due for valuation review in February. We think it is prudent to postpone this valuation review given the current uncertainty created by the spread of the Coronavirus.



SiteMinder

SiteMinder has continued its international expansion plan by [opening an office in Berlin to grow its presence in continental Europe](#). The base in the Mitte/Kreuzberg area will provide sales support for hoteliers across the DACH (Germany, Austria and Switzerland) region and broader Europe, alongside SiteMinder's offices in London and Galway.

SiteMinder has released its [annual report on the top 20 tourism markets](#) and revealed its findings that Booking.com is behind the most revenue to hotels, followed by Expedia and direct bookings.

SiteMinder [Managing Director Mike Ford](#) has given his advice to fellow founders struggling with the "startup blues", while [Brad Haines, Regional Vice President of Asia Pacific](#), spoke to Travel Daily Media about the importance of Asia to SiteMinder. Ahead of International Women's Day, [Inga Latham, CPO at SiteMinder](#), shared her advice for fellow women in tech and the importance to always "be yourself".



DocsCorp

DocsCorp announced an [impressive 181% increase in the number of people using its compareDocs productivity software](#) over the last three years. In 2020 DocsCorp plans to build on this success by releasing exciting new compareDocs features, including native PowerPoint comparison capability and a three-pane view for comparison reports.

DocsCorp has profiled a number of their key female staff ahead of International Women's Day. Read interviews with [Samantha Jefferies, VP for the EMEA region](#), and [Jenny Ward, Lead Software Engineer](#).



Instaclustr

Instaclustr CEO Peter Nichol spoke to OpenSourceforU.com about the company's [growth plans, including an expansion in India within the next 18 months](#). He said Instaclustr is also working to add a MySQL technology to its platform and continue to win deals with more Fortune 100 accounts.



Rezdy

Rezdy has relocated its Sydney HQ to a new office space at Commonwealth Street in Surry Hills to better accommodate its growing team. There are now more than 80 staff working across offices in Australia, the US, New Zealand and Canada.



Lendi

Lendi has been named one of the top Australian Startups & Tech Companies to Work for in 2020 by recruitment platform Scout24. The firm looked at measures such as a company's growth rate, employee reviews and gender diversity to select their top picks.

BROSA Brosa

Brosa's [Melbourne showroom](#) has been featured by online culture magazine Broadsheet. The next generation furniture store has QR codes on all items to allow customers to make instant purchases, while those needing more time to make a decision can go home with swatches and a link to their online wish list.

 **Bailador**

Paul Wilson spoke to the [Equity Mates Investing Podcast](#) about Bailador, the difference between Venture Capital and Private Equity, industry trends, and Bailador's process for finding Australia's best tech companies.

David Kirk had a chat with Philip Muscatello on the [Shares for Beginners podcast](#) about all things VC and investing, as well as Bailador companies SiteMinder and Straker Translations.

David also spoke to investors about Bailador at the Switzer Small and Micro Cap conference in Sydney, and joined a panel discussing Venture Capital in Australia at the Asian Venture Capital Journal's Sydney Forum.

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 ¹
SiteMinder	82.5	1996%	▲	0.69	✓	June 2020
Instaclustr	19.0	323%	▲	0.16		August 2020
DocsCorp	10.9	119%	▲	0.09		June 2020
Lendi	10.7	112%	▲	0.09	✓	November 2020
SMI	9.6	30%	▲	0.08		March 2020
Rezdy	5.9	64%	▲	0.05		March 2020
Straker Translations	5.9	35%	▲	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	5.6			0.05		
Other ²	0.7			0.00		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	153.8			1.28		

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



Name:	SiteMinder	Instaclustr	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:	750-1,000	100-250	100-250	250-500	1-50



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