

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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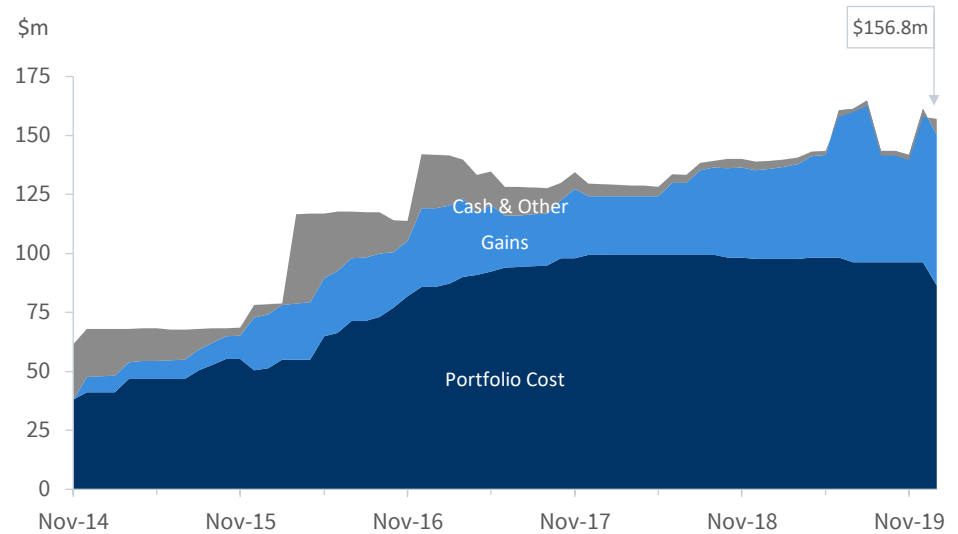
This report was authorised for release to the ASX by Helen Plesek, Company Secretary & Chief Financial Officer, on 14 February 2020.

Bailador Technology Investments [ASX:BTI] Shareholder Update

Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.30
NTA per share post-tax	\$1.20

Net Tangible Asset Breakdown Since Inception

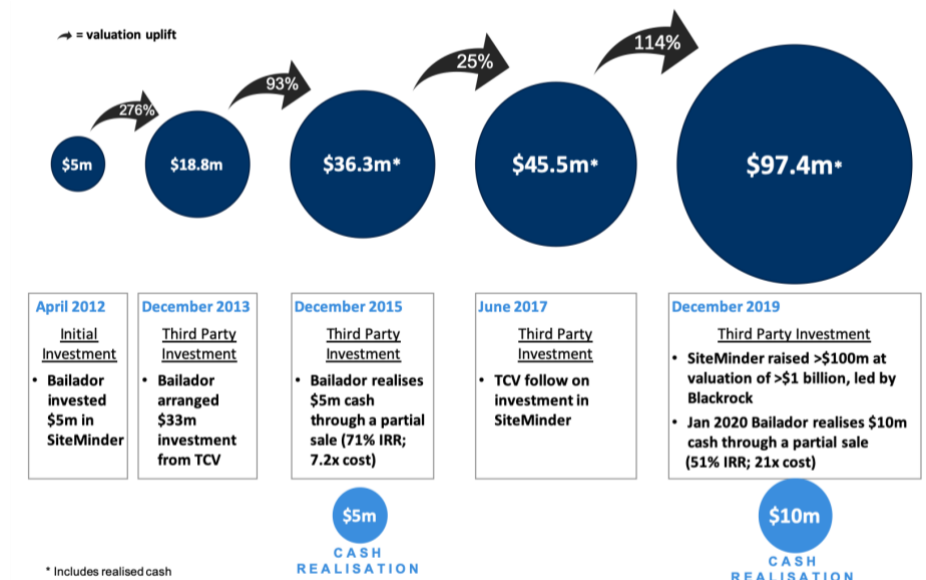


Founders' Commentary

SiteMinder partial cash realisation

Bailador has realised \$10m cash through the sale of a small portion of its investment in SiteMinder. This realised return represents an IRR of 51% and a multiple of 21x Bailador's original cost. The realisation was part of a broader transaction through which SiteMinder raised over \$100m at a valuation above \$1 billion. Realising cash from our largest holding is an important proof point for Bailador.

BTI's carrying value of its SiteMinder investment on third party events



SiteMinder business

SiteMinder is the global market leader in hotel guest acquisition software. The business has over 36,000 subscription customers in more than 100 countries, and a year ago announced publicly that annual recurring revenue had gone past \$100m. SiteMinder operates a Software-as-a-Service (SaaS) business model, producing predictable recurring revenue at high margins. With more than 80% of its revenue already from international markets, SiteMinder has the proven ability to scale efficiently to take advantage of its massive global addressable market.

Bailador's investment approach

Our investment in SiteMinder gives a good insight into some of the features which Bailador looks for in a potential portfolio company.

Strong founder-led management team: Mike Ford and Mike Rogers focused on exceptional product, excellence of customer experience, and were regarded as people with great ability and integrity by the many referees we spoke with. Mike and Mike remain leaders of the business today, with Mike Ford as Executive Chairman and Mike Rogers as CTO. One year ago, the team was strengthened by the addition of Sankar Narayan as CEO. Sankar had previously been COO/CFO of Xero, and brings experience in scaling a SaaS business globally. Sankar also served as a BTI non-executive director for four years, which had given him valuable insight into the SiteMinder business.

Product led business: The business had very high customer satisfaction levels with the product, as evidenced by low churn and the high level of 'word of mouth' customer leads. In the dozens of customer discussions which Bailador undertook in diligence, the feedback of their satisfaction levels was strikingly high.

Proven business model: With 3,000 subscribing customers and \$5m annual revenue at the time of the initial investment by Bailador, SiteMinder had proven its technology and its product market fit. It was achieving outstanding unit economics both in Australia and on a meaningful level of international revenue.

Huge Target Addressable Market (TAM): SiteMinder is the clear market leader with over 36,000 subscribing hotels, triple its nearest competitor. Over US\$38 billion in reservations were processed through the SiteMinder platform last year. There are about 1 million hotels in the world, with about half of those using some form of online booking. There is an enormous amount of greenfield opportunity for SiteMinder to grow into. SiteMinder has recently introduced a payments product, and opened its platform to selected third party applications, providing further growth opportunities.

Highly scalable business with attractive unit economics: SiteMinder's business model is to have one platform with multiple features, selling access to that platform to tens of thousands of customers around the world. There is a cost to acquire new customers but after that the addition of these new customers does not significantly add to the cost base of the business. The subscription revenue produces very high gross margins, so most of this new revenue drops to the bottom line. A satisfied customer will stay on the platform for a long period, perhaps indefinitely, and in many cases will subscribe for additional features over time. With the success of a number of Australian based SaaS businesses addressing global markets, Australian investors are becoming more familiar with 'SaaS metrics'. SiteMinder produces very attractive SaaS metrics including Lifetime Value/Customer Acquisition Cost and Net Revenue Retention.

Bailador value add: Bailador has been very pleased to be involved with the SiteMinder business for over seven years. Paul Wilson served as Chairman of SiteMinder for six years and remains a non-executive director. David Kirk served as a non-executive director for five years. We have learned a lot on our journey so far with SiteMinder. When evaluating new investment opportunities for Bailador, we often put the founders in touch with Mike Ford for a 'warts and all' view of what it is like to work with Bailador. We think this is the best way to demonstrate our confidence in our capacity to add value to the business.

Outlook

SiteMinder remains the largest holding in the Bailador portfolio by some margin. We are very happy with that. We view the prospects for the SiteMinder business as being as strong as they have ever been. The business has an 'A' grade management team that is highly motivated, a world leading platform, and a huge market to grow into. We believe that the business would be extremely well received as a public company. As we expressed to a recent SiteMinder staff gathering: "This capital raise at over \$1 billion valuation is a milestone for SiteMinder worthy of recognition, but the business has much bigger milestones that it can achieve in the coming years, and we look forward to being part of that journey."

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

Pre-tax NTA has moved from \$1.31 per share in December 2019 to \$1.30 in January 2020. The decrease in NTA per share is due to Straker Translations (ASX:STG) share price closing lower at \$1.335 as at 31 January 2020 (\$1.49 at 31 December 2019).

The NTA movement from revaluing Bailador's investment in SiteMinder was taken up in December, following signing of definitive documentation, so did not change in January other than to reflect the \$10m cash realisation.



SiteMinder

As detailed in our Founders' Commentary and [ASX release](#) on 17 January, SiteMinder's latest equity raise has valued the company at \$1.1 billion. We have put together a [roundup of the press coverage](#) following the SiteMinder announcement, including an article by the [Australian Financial Review](#) which broke the news of SiteMinder's \$1 billion valuation, and a report in [The Australian](#) that said SiteMinder's unicorn status was "a boon" for Bailador. There was also coverage by [News.com.au](#), [TechCrunch](#), [Business News Australia](#), [SmartCompany](#) and [Stockhead](#).

Considering the relative scale of BTI's investment in SiteMinder to the fund's NTA level, we will continue to monitor its valuation closely. This will include specific valuation review at the BTI year end balance date of 30 June 2020, in the absence of a further third party transaction. That time period is six months following a third party transaction, instead of the 12 month period historically employed.



Straker Translations

On 10 February 2020, Straker announced the [acquisition of The New Zealand Translation Centre Limited \(NZTC\)](#), a privately owned company with over 30 years' experience in the international translation and interpreting market. NZTC's unaudited revenue for the previous 12 months was NZ\$4.3m and Straker's CEO, Grant Straker, believes there is substantial upside once NZTC is integrated onto Straker's Ai powered RAY platform.

Straker Translations released its [Q3 FY2020 results](#) reporting a net cash outflow of NZ\$(0.3) million which reflects the current transition to larger global Enterprise customers with longer sales-lead times relative to small/private customers. Other highlights included:

- Cash inflows up 2% on Q3 FY2019 to NZ\$6.9m
- New translation project signed with a major global Enterprise utilising combined capabilities enabled by Straker's partnership with AppTek
- Successfully integrated On-Global Language Marketing SL (On-Global) onto the Ai powered RAY platform within six months of purchase
- Well-funded to continue progressing the Company's growth strategy, with a cash balance of NZ\$12.4 million, and no debt



Lendi

Lendi has [partnered with Bankwest](#) to integrate Bankwest into its new Approval Confidence Rating product that features within the search results of the Lendi home loan platform. Lendi's world-first [Approval Confidence Rating](#) tool was released in November and

gives borrowers an indication of how likely they are to be given approval for a home loan.

Instaclustr

Instaclustr's APAC Sales Director Tim Palmer showed his creative genius by writing a [poem on the company's founding story](#) and brilliant piece has been made into an animated video.

Bailador

Bailador is pleased to announce that James Johnstone has been named Bailador's newest Partner, joining existing partners Paul Wilson and David Kirk, who co-founded the fund in 2010. James joined Bailador in 2015 as Investment Director and has built strong relationships across the portfolio, providing expertise drawing on his experience scaling fast growth companies. James is currently on the board of Bailador companies DocsCorp and Viostream. The Bailador team wishes to congratulate James on his appointment.

As a result of the cash realisation of a portion of BTI's investment in SiteMinder, BTI has paid the \$3.9m (excluding GST) performance fee previously accrued at 30 June 2019.

David Kirk has been [profiled by New Zealand-based online magazine The Spinoff](#). Journalist Maria Slade visited Bailador's offices to talk rugby, tech, ethics and politics, and spoke to a number of David's former colleagues and associates.

Paul Wilson [spoke to the Asian Venture Capital Journal](#) about how Bailador supported SiteMinder in its fast growth to become a \$1 billion 'unicorn' company and its future, including a possible IPO.

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%	▲	0.69	✓	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
Straker Translations	8.5	97%	▲	0.07	✓	Mark to market each month end
Rezdy	5.9	64%	▲	0.05		February 2020
Brosa	3.0	0%	▶	0.02	✓	October 2020
Stackla	-	-100%	▼	-		September 2020
Viostream	-	-100%	▼	-		September 2020
Cash	5.7			0.05		
Other ²	1.0			0.00		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	156.8			1.30		

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	50-100	100-250	250-500	1-50



Name:	Straker Translations	Rezdy	Brosa	Stackla	Viostream
Type:	Marketplace/Machine Learning	SaaS	Online Retail/B2C	SaaS/B2B/UGC	SaaS/Video
About:	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	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:	Auckland	Sydney	Melbourne	San Francisco	Sydney
Staff:	100-250	50-100	1-50	1-50	1-50