

# Bailador Technology Investments [ASX:BTI] Shareholder Update

## About Bailador

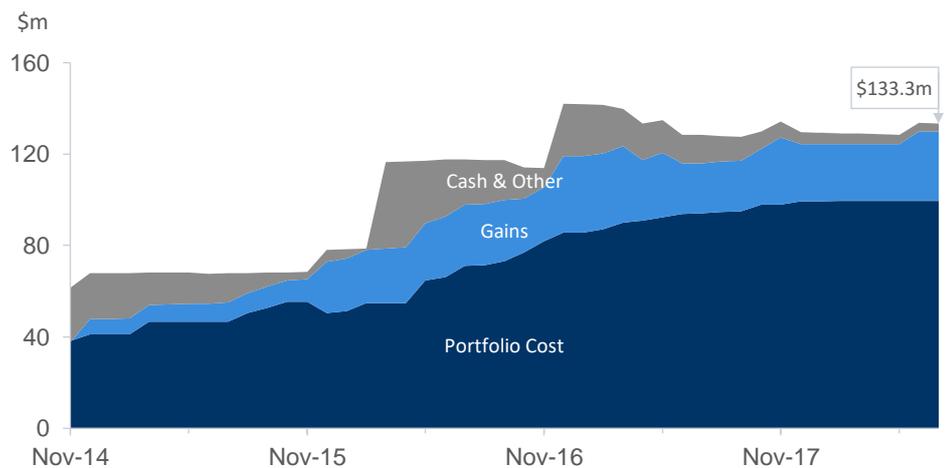
Bailador Technology Investments is a growth capital fund focused on the information technology sector, actively managed by an experienced team with demonstrated sector expertise.

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

## Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.11
NTA per share post-tax	\$1.06

## Net Tangible Asset Breakdown Since Inception



## Founders' Commentary

Wisdom in investing, as in life, comes from many sources. One passage from a biblical philosopher is something we reflect on when we make investments and as the competitive environment evolves for our portfolio companies. It is this rather definitive statement from Ecclesiastes:

*What has been is what will be, and what has been done is what will be done; and there is nothing new under the sun.*

*Is there a thing of which it is said, "See, this is new"?*

At first glance this seems obviously not true. There are new businesses doing new things appearing all the time and some of these thrive. But in an important sense the philosopher is correct, most new businesses are solving old problems. People have always needed to find things and firms have always needed to advertise to potential customers, which are the problems Google addresses. There is nothing new in households needing to find tradesmen, designers or other one-off workers, which is what Freelancer does. There is nothing new in people wanting to sell their car which is what Carsales.com.au does. It is the solution that is new, not the problem.

For a new solution to an old problem to turn into a great business, the new solution has to be significantly better than the old solution. A slightly better solution will not be enough to persuade customers to go through the inevitable hassle of changing providers.

When we say a new solution is better we usually mean some combination of faster, cheaper and a 'better return on investment'. For a consumer the 'investment' is often time and the opportunity cost of doing something else, but it also includes cost. For a business the calculation is financial. What is my return on the cost of advertising with Google compared to advertising on television?

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Providing a new solution to an existing problem is what the vast majority of new digital models and businesses, and Bailador businesses, do. The new business grows by displacing incumbents and taking market share.

**The BTI Portfolio: New Solutions to Old Problems**

	Old Problem	New Solution
<b>SiteMinder</b>	Filling hotel beds	Distribute hotel room availability online more cheaply through more channels than ever before
<b>Stackla</b>	Credible customer recommendations	Cost effective collection, curation and display of user generated content from all digital sources
<b>Straker</b>	Foreign language translation	Fast and inexpensive translation on a digital platform incorporating machine translation and human translators
<b>Lendi</b>	Finding the right home loan	Fast and successful online discovery, assessment, matching and completion of home loans from a very wide range of options
<b>Instaclustr</b>	Cost effective management of big data	New database technology and expertise
<b>DocsCorp</b>	Document creation and management	Fast, accurate and inexpensive digital tools for document comparison, search and management
<b>SMI</b>	Understanding advertising effectiveness	A unique dataset that provides by far the best understanding of how, where and by whom advertising dollars are spent
<b>Viostream</b>	Communicating effectively	A highly effective video ingestion, management and broadcast platform
<b>Rezdy</b>	Finding customers and bookings for tours and activities	Online booking and distribution of tours and activity availability through more channels than ever before
<b>Brosa</b>	Finding, buying and having the right furniture delivered	Design, source, make and deliver quality, value-for-money furniture through an integrated online supply chain

There are rare new businesses that reveal new opportunities consumers had never before considered. Discussion of these businesses will have to wait for another time.

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

**Important Notice**

Bailador Investment Management Pty Ltd CAN 143 060 511 ('Manager') has prepared the information in this announcement. This announcement has been prepared for the purposes of providing 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.

## 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
- Require capital to grasp this opportunity

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



### Straker Translations

Straker Translations has [purchased Eule Lokalisierung \(Eule\)](#). This is Straker's fourth acquisition in 18 months and demonstrates the continued acquisition growth options available to the business. Eule's 23 staff will join Straker's European operations, bringing the total fulltime staff to 120 with over half in Europe.

Straker co-founders Grant and Merryn Straker have been announced as joint finalists in [New Zealand's 2018 EY Entrepreneur of the Year](#). The finals will be held in late August with the winner going on to compete for the title of World Entrepreneur of the Year.



### Lendi

Lendi CEO David Hyman has been named [EY's 2018 Eastern Region \(Australia\) Fintech Entrepreneur Of The Year](#). David moves on to the Australian national finals in October.

Lendi has been ranked 56<sup>th</sup> in the Australian Financial Review's awards for 2018's [100 Most Innovative Companies in Australia and New Zealand](#), and was named in the [200 Westpac Businesses of Tomorrow awards](#) for enterprises helping shape the nation's new economy.

Lendi has also been listed in the [Anthill Smart 100](#) companies for the second year running thanks to its innovative platform.



### Rezdy

Rezdy has [partnered with Hotelbeds Group](#), a leading b2b distribution platform for travel providers. More than 1,000 activities will be integrated into the Hotelbed Group platform, with more destinations due to be added over the year ahead. The move will give Rezdy customers access to new distribution channels and booking segments that might otherwise be hard to reach.



### SiteMinder

SiteMinder has announced a new [partnership with GestioneAlbergo](#), a property management system for hotels. The two platforms will integrate, eliminating the need for hotels to manually input booking information into their management system. GestioneAlbergo's platform, called Leonardo, is used by more than 1,200 hotels across Italy.

## BTI Portfolio Net Tangible Asset Summary

	Valuation (\$'m)	Gain (%)		NTA per share (\$)	Third Party Event Valuation	Next Valuation Review <sup>1</sup>
SiteMinder	55.9	305%	▲	0.47		June 2019
Stackla	12.6	13%	▲	0.10	✓	June 2019
Straker Translations	11.2	49%	▲	0.09	✓	October 2018
Lendi	9.5	73%	▲	0.08	✓	December 2018
Instaclustr	9.3	107%	▲	0.08		November 2018
DocsCorp	9.2	83%	▲	0.08		June 2019
SMI	7.4	0%	▶	0.06		March 2019
Viostream	7.4	-72%	▼	0.06		June 2019
Rezdy	4.5	25%	▲	0.04	✓	February 2019
Brosa	3.0	0%	▶	0.02	✓	October 2018
Cash	3.1			0.03		
Other	0.3			0.0		
<b>Net Asset Value / Net Asset Value Per Share (Pre Tax)</b>	<b>133.3</b>			<b>1.11</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 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

### 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	Stackla	Straker Translations	Lendi	Instacluster
Type:	SaaS/B2B	SaaS/B2B/UGC	Marketplace/Machine Learning	Fintech	DBaaS/B2B
About:	World leader in hotel channel management and distribution solutions for online accommodation bookings	Leading tech platform for brands to leverage User Generated Content (UGC) in their marketing strategy	Digital translation services provider and one of the world's fastest growing translation companies	Australia's #1 home loan provider disrupting the multi-billion-dollar mortgage industry	Open source data platform for cloud-based solutions that require immense scale
HQ:	Sydney	San Francisco	Auckland	Sydney	Canberra
Staff:	550-600	50-100	100-150	250-300	50-100



Name:	DocsCorp	SMI	Viostream	Rezdy	Brosa
Type:	SaaS/Document Productivity	SaaS/Big Data	SaaS/Video	SaaS	Online Retail/B2C
About:	Global leader in the rapidly growing Document Productivity segment	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:	100-150	1-50	1-50	50-100	1-50