

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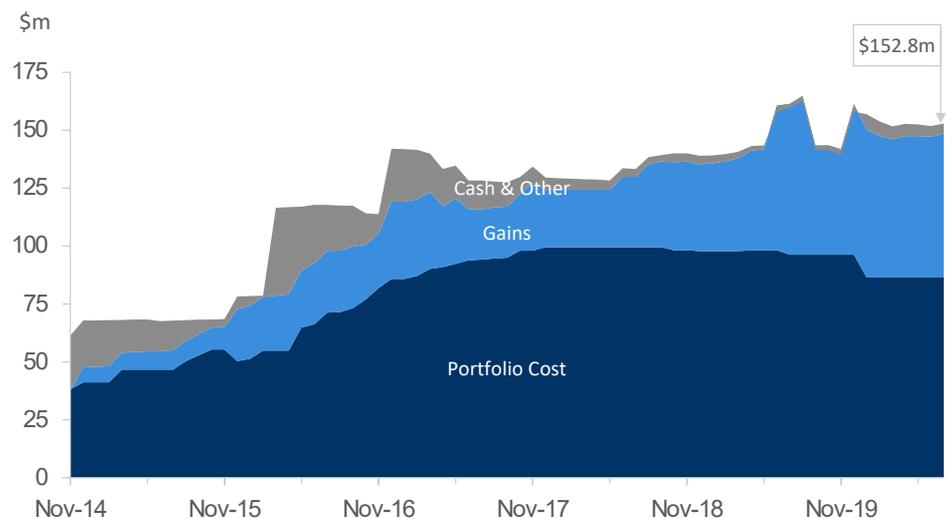
This report was authorised for release to the ASX by Helen Plesek, Company Secretary & Chief Financial Officer, on 12 August 2020.

Bailador Technology Investments [ASX:BTI] Shareholder Update

Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.24
NTA per share post-tax	\$1.15

Net Tangible Asset Breakdown Since Inception



Founders' Commentary

Investing in technology, the fastest growing sector of the global economy, is clearly important. But where to invest?

Invention is always at the heart of change, rapid economic growth and strong investment return. The last 250 years has seen four distinct periods of invention:

The First Industrial Revolution (~1760 to 1830) saw the invention of manufacturing machines, chemical processes, steam power and mechanised factory systems.

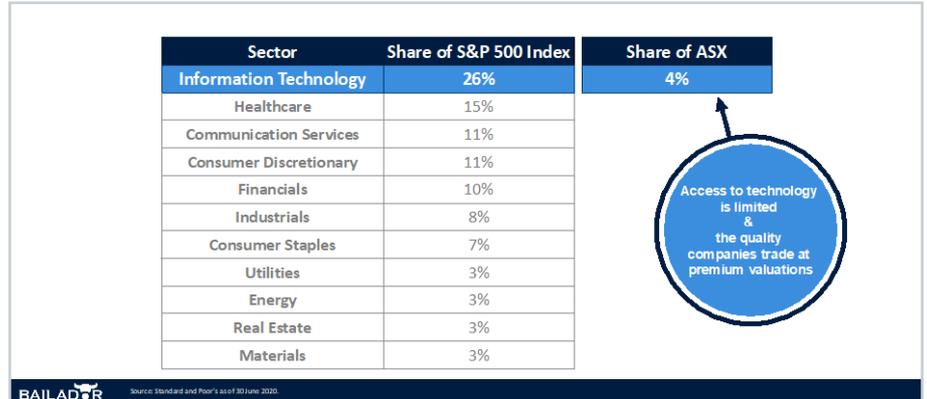
The Second Industrial Revolution (~1870 to 1918) saw transport and communications infrastructure such as railroads and telegraphs.

The 'Golden Age' or 'Long Boom' (~1945 to early-1970s) saw cars, containers, oil, highways, washing machines, refrigerators and televisions to name just a few inventions that made many investors wealthy.

Now, in **The Digital Revolution** (~early 1970s onwards), the internet, transistors, software, mobile devices and new business models built on global connectivity and inexpensive access to customers in all corners of the globe are the most valuable businesses.

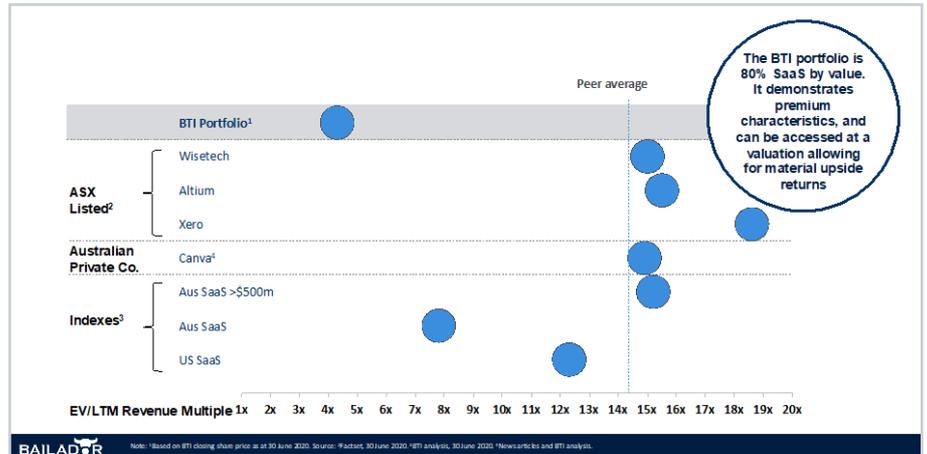
"The Digital Revolution is represented in the weighting of the technology sector in the US S&P 500 Index, now the largest sector in the Index making up 26%."

This is not a short-term trend. The technology sector has been growing its weighting in the Index since the early 2000s to what is by far the largest sector and shows no sign of slowing.

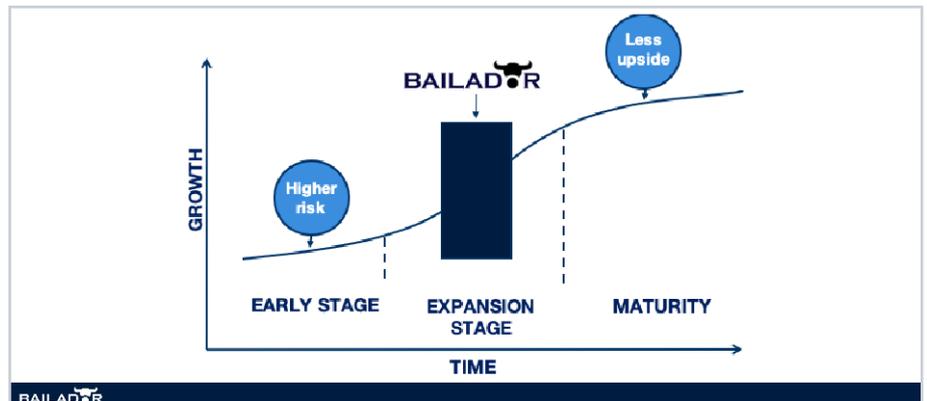


While it is clear a US-based investor can gain good access to a portfolio of technology company investments through the S&P 500 Index, the same cannot be said for an Australian investor who must compete for local investment opportunities that represent only 4% of the ASX.

Furthermore, this share is dominated by a small group of larger companies – WiseTech, Altium, Appen, Xero (i.e. the “WAAAX” stocks) to name a few – which typically trade at premium valuations given the strong financial characteristics they exhibit. Bailador’s portfolio exhibits similar characteristics to these larger businesses but trade at much more attractive valuation:



Bailador has constructed its portfolio at more attractive valuation multiples by drawing on a much wider pool of private companies at the **Expansion Stage** which have the most attractive risk/reward balance:



All companies go through the above phases of growth. At the **Early Stage** the risk of outright failure of the business is high, but the return for those that succeed is also high. As businesses approach **Maturity** at other end of the scale, risk is now lower, but growth is also lower and valuations higher, potentially exacerbated by scarcity of investment options.

As an ASX-listed fund, investors can get access to Bailador's portfolio of private **Expansion Stage** technology investments before they go public (or are absorbed by much larger businesses). They can invest as much or as little as they wish and expect returns through both capital appreciation and potential dividends following cash realisations. In March 2020, Bailador paid its first special fully franked dividend of 2.5 cents per ordinary share on the back of the partial cash realisations of SiteMinder and Straker Translations.

Each investor will have their own particular circumstances, needs and interests as they build their investment portfolio. Investing in a portfolio of private information technology businesses at the high growth/declining risk stage is, for most investors, likely to be a relatively small component of a properly balanced and fit-for-purpose portfolio. But an exciting small part it can be. There isn't much in the investing world to beat the thrill of watching a \$25 million local company grow to be a \$1 billion global company as SiteMinder, one company in the BTI portfolio, has already done.

David Kirk & Paul Wilson
Bailador Co-Founders

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.

Highlights

Movement in NTA

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

SiteMinder

SiteMinder's [Regional VP for Americas, Bernhard Ballin, wrote for Hospitality Upgrade](#) on how hotels can evolve and streamline their operations and approach to the market at a time of rapid change.

DocsCorp

DocsCorp's PDF editing and bundling application, [pdfDocs, now integrates with DocuSign](#), which offers the world's number one eSignature solution. This is pdfDocs' first integration with a third-party electronic signature provider and will allow users to apply eSignatures using DocuSign from within pdfDocs.

Lendi

Lendi [released its 1H 2020 Home Loan Report](#) which analyses over 2,900 owner occupied loans for the six months to June 30. This report showed that the median interest rate offered by lenders dropped by 35 bps over the six months to 30 June which highlights the intensifying competition in the home loan market.

Consumer demand for Lendi's digital home loan solutions is accelerating in the wake of the COVID restrictions. Lendi reported a 66% increase in refinancer activity on its platform for the three months to June 2020 compared to the previous corresponding period.

Standard Media Index

SMI's [new President, Ben Tatta, was interviewed by AdExchanger](#) and discussed the company's plans to launch in more than 12 new markets within the next 18 months.

Standard Media Index has [expanded its joint venture with advertising monitoring company Big Datr](#) to create deeper data on brand advertising. Over the past four years Big Datr has been using SMI's exclusive media agency ad spend database to create brand-level ad spend estimates for key product categories including automotive, banking and finance, telecommunications, insurance, superannuation, travel and education.

Rezdy

Rezdy published additional [resources to help support tours and activities providers through the COVID](#) pandemic. This month's offerings included tips on how to increase website conversions and how to save on graphic design.

Rezdy co-hosted a webinar with TourismSolved to educate tourism operators on building a successful Google My Business and the growing importance of Reserve with Google.

Straker Translations

Straker Translations has [released its quarterly activities report for the quarter ended 30 June 2020](#). Key takeaways include:

- Sales orders up 24% on Q1 FY2020 to NZ\$8.0 million; June 2020 revenue up 28% on June 2019 as all market segments recover
- Significant achievements in R&D, further enhancing technology leadership

- Underlying operating cash flow still strong, reflecting effective customer cash collection performance
- Total cash outflow of NZ\$(2.5) million reflecting earn-out payments and increased R&D project spending; strong cash balance of NZ\$8.7 million at 30 June 2020
- Discussions with potential acquisition targets restarted

CEO Grant Straker gave a [video update on the company's activities and performance for Q1 FY21](#).

Straker also held [an online demo of its RAY platform](#) for investors and a recording of the session is now available.

Straker Translations has appointed David Ingram as Chief Financial Officer. David has an extensive finance career and a diverse background across listed, private equity backed and privately-owned companies.

Straker Translations has appointed Amanda Cribb to its board as Independent Non-Executive Director. Amanda has extensive experience in the technology sector including more than 15 years in executive leadership roles.

Stackla Stackla

Stackla has [released a new e-book](#) on how top global brands have used user generated content to create successful marketing campaigns. The book features 21 creative and cost-effective visual marketing campaigns from Stackla clients such as Toyota, Canon, Gordon Ramsay Restaurants, Expedia and VisitScotland.

BAILADOR Bailador

Bailador co-founder Paul Wilson joined fellow investment experts for a virtual roundtable discussion as part of [Stockhead's latest video series, StockTalk](#). Paul spoke about investing in SaaS technologies in a post-COVID economy.

Bailador co-founder David Kirk discussed the world of digital commerce with David Downs for New Zealand Trade & Enterprises' Techweek2020. The [Digitally Speaking with David Kirk](#) event was broadcast to a studio audience as well as streamed live online, and viewers were able to interact and ask questions in real time. A recording is now available to watch.

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%	▲	0.67	✓	December 2020
Instaclustr	19.0	323%	▲	0.15		August 2020
DocsCorp	10.9	119%	▲	0.09		June 2021
Lendi	10.7	112%	▲	0.09	✓	November 2020
SMI	9.6	30%	▲	0.08		June 2021
Straker Translations	7.0	61%	▲	0.06	✓	Mark to market each month end
Rezdy	5.7	60%	▲	0.05		June 2021
Brosa	3.0	0%	▶	0.02	✓	October 2020
Stackla	-	-100%	▼	-		September 2020
Viostream	-	-100%	▼	-		September 2020
Cash	3.7			0.03		
Other	0.7			0.00		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	152.8			1.24		

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.

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:	500-750	100-250	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