

Bailador Technology Investments [ASX:BTI] Shareholder Update

About Bailador

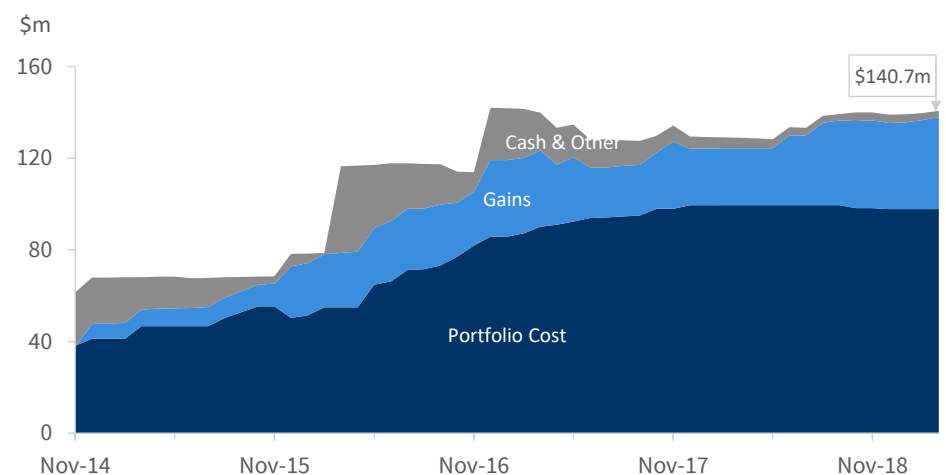
Bailador Technology Investments is a growth capital fund focused on the information technology sector, actively managed by an experienced team with demonstrated sector expertise.

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

Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.17
NTA per share post-tax	\$1.11

Net Tangible Asset Breakdown Since Inception



Founders' Commentary

This month we marked up the value of Bailador's investment in Standard Media Index (SMI) by 30% to \$9.6m. It has been 12 months since the SMI valuation was reviewed and Bailador's revaluation incorporates the strong performance of the business' *AccuTV* product and strong growth in the Finance and Content verticals in the US over the last 12 months.

SMI was an early investment for the fund and has been somewhat of a slow burn but is now coming into its own in a big way. The back story is inspiring for entrepreneurs of all ages, so we will tell it here.

SMI was founded by Sue Fennessy and Jane Ractliffe. Sue had started, grown and exited two successful businesses in brand sponsorship marketing and communications before SMI. Jane was a senior business journalist who had risen to be the Media Editor at The Australian. They decided to start a new business absolutely from scratch. Their plan sounded like an impossible task to the people they spoke to at the time, so they funded the business themselves, paying themselves nothing for the first two years.

During that period, they had to convince the Australian arms of the six global media buying agencies, and the redoubtable Harold Mitchell, to open up their databases of media advertising buys (the agencies buy media on behalf of major brands) and deliver it to SMI for reorganising. Jane and Sue visualised the data organised in a new and unique taxonomy, tagged by buying agency, media sector and media sub-sector, geography, media company entity and owner and advertising category and sub-category. Each data point in this nine or 10-layer taxonomy was to be given a unique identifier.

Connect to Bailador

- [@bailadorvc](https://twitter.com/bailadorvc)
- [Bailador Technology Investments](https://www.linkedin.com/company/bailador-technology-investments)
- medium.com/bailador
- www.bailador.com.au
- investorservices@bailador.com.au
- +61 2 9223 2344
- [Subscribe to get Bailador updates](#)

But that's not all. They recognised that the value of detailed, organised media spend data to media companies, brand advertisers, hedge funds, video content creators and other customers lies not only in the accuracy and detail of what was spent but also in when it was spent. They built a system that could deliver all that they promised just 14 days after the end of each month. This compared to the competition which produced high level estimates every six months.

Less than a month after we invested in SMI, the business expanded to the US. It took longer in the US, but the prize has proved to be much bigger. SMI is now the established gold standard for media spend, in particular television media spend in that region. SMI's *AccuTV*, published monthly, reports television advertising spend in the US by national and local, cable and broadcast, region and city, time of day and advertising category (think financial services) and sub-category (think credit cards).

There is a long way to go. Next in the US market is a digital advertising spend product and plans are advanced for entry into new markets including Canada, the UK and Mexico. SMI grew revenue at around 45% last year and is a profitable business with high gross margins and a largely fixed operating cost base that will provide strong operating leverage and profitability as the business continues to grow.

In early April, we made a small follow-on investment of \$450k in Viostream. Long-time readers of this report will be familiar with our investment in Viostream. In FY18, along with a significant write down in Viostream, we put firm plans in place to drive Viostream to a cash profitable position and to evolve the Viostream platform to offer enhanced live video functionality for government and enterprise customers. We've made solid progress on both fronts, and you will see in the highlights section below the new Viostream product is in beta testing with some large Viostream customers and performing well. Our investment supports the Viostream team in delivering that product and we are confident this will see Viostream far better positioned for future growth, ongoing profitability and potential exit. Our investment is necessary to conclude the delivery of the new product and provide funds for a successful launch. The April to June quarter is the strongest cash generating quarter for the business and we do not expect to have to contribute more funds to the business at any time.

David Kirk & Paul Wilson
Bailador Co-Founders

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 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.

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



SMI

Bailador undertook a valuation review of SMI during March and increased the carrying value of our investment in SMI by 30% to \$9.6m. It has been 12 months since the SMI valuation was reviewed and Bailador's revaluation incorporates the strong performance of the business' AccuTV product over the last 12 months, particularly in the US and success in its new Finance and Content sales verticals.



Viostream

March marked the beta release of the company's new live streaming product which is now in testing with a number of Viostream's blue chip customers with a view to having the product in market later this year.

Bailador invested \$450,000 in additional working capital to fund the beta testing and marketing roll-out for the new product. The investment was completed in early April and will increase the carrying value of Viostream in next month's report.



Straker Translations

Straker Translations released its [latest investor presentation](#). The presentation gives investors a good look at what Straker does and the growth prospects moving forward. It's well worth a look. The business continues to perform strongly.

Straker Translations presented at the 'ASX in NZ' Investor Day.



Stackla

Stackla is now [integrated with Slack](#), the workplace communications software with more than eight million daily active users. Users can receive real-time notifications from Stackla and approve content without leaving the Slack app.

Stackla has also added the [ability to create automation rules](#), allowing users to automatically tag and publish content based on its source. The International Cricket Council has already used the feature to encourage cricket fans to share their pictures to go on an interactive map.



Lendi

Lendi CEO David Hyman spoke at the Australian Financial Review's Banking and Wealth Summit alongside key industry leaders. He took part in a panel discussion around the question 'Are consumer digital demands fuelling an end to end digital mortgage process?'



SiteMinder

SiteMinder CEO Sankar Narayan released a video to mark [International Women's Day](#). This year's theme was Balance for Better, and Sankar discussed the importance of gender equality at SiteMinder.

BTI Portfolio Net Tangible Asset Summary

	Valuation (\$'m)	Gain (%)		NTA per share (\$)	Third Party Event Valuation	Next Valuation Review ¹
SiteMinder	55.9	305%	▲	0.47		June 2019
Instaclustr	14.6	225%	▲	0.12	✓	August 2019
Stackla	12.6	13%	▲	0.10	✓	June 2019
Lendi	10.7	112%	▲	0.09	✓	November 2019
SMI	9.6	30%	▲	0.08		March 2020
DocsCorp	9.2	83%	▲	0.08		June 2019
Straker Translations	9.0	44%	▲	0.08	✓	Mark to market each month end
Viostream	7.4	-72%	▼	0.06		June 2019
Rezdy	5.9	64%	▲	0.05		February 2020
Brosa	3.0	0%	▶	0.02	✓	October 2019
Cash	2.7			0.02		
Other	0.1			0.00		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	140.7			1.17		

Denotes change to valuation in current month

Denotes valuation review in next six months

¹ 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 3rd October 2014 and available on the ASX website.

Portfolio Company Details



Name:	SiteMinder	Instaclustr	Stackla	Lendi	SMI
Type:	SaaS/B2B	DBaaS/B2B	SaaS/B2B/UGC	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	Leading tech platform for brands to leverage User Generated Content (UGC) in their marketing strategy	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	San Francisco	Sydney	New York
Staff:	600-650	50-100	50-100	400-450	1-50



Name:	DocsCorp	Straker Translations	Viostream	Rezdy	Brosa
Type:	SaaS/Document Productivity	Marketplace/Machine Learning	SaaS/Video	SaaS	Online Retail/B2C
About:	Global leader in the rapidly growing Document Productivity segment	Digital translation services provider and one of the world's fastest growing translation companies	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	Auckland	Sydney	Sydney	Melbourne
Staff:	100-150	100-150	1-50	50-100	1-50