

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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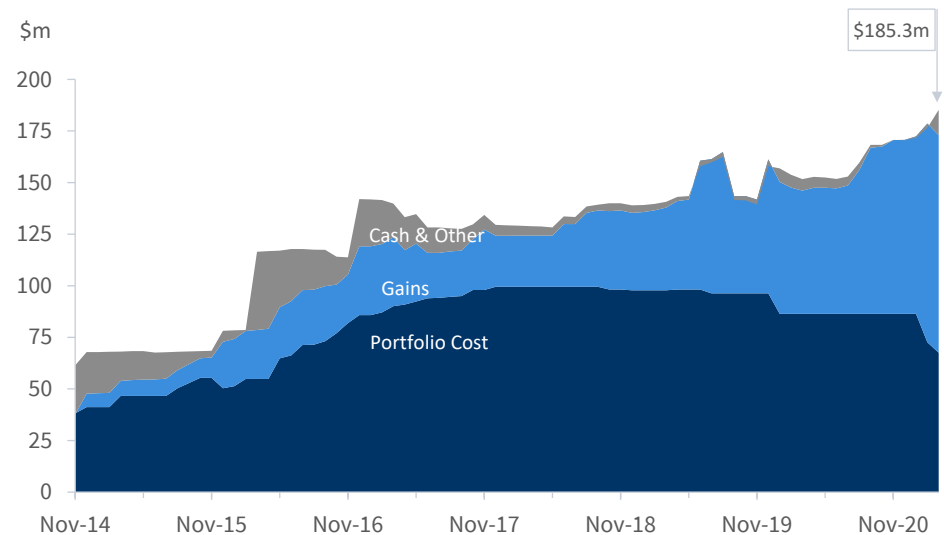
This report was authorised for release to the ASX by Helen Plesek, Company Secretary & Chief Financial Officer, on 13 April 2021.

Bailador Technology Investments [ASX:BTI] Shareholder Update

Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.51
NTA per share post-tax	\$1.34

Net Tangible Asset Breakdown Since Inception



Founders' Commentary

Instaclustr revaluation and DocsCorp cash realisation detail

- The carrying valuation of BTI's investment in Instaclustr has increased by \$13.3m (49%) this month.
- We provide more detail on the successful \$17m cash realisation of BTI's investment in DocsCorp.

Instaclustr

This month the carrying valuation of BTI's investment in Instaclustr has increased by \$13.3m (49%) to \$40.4m. [On 18th March Instaclustr announced that it had acquired *credativ*](#), a global provider of support for a range of open source technologies highly complementary to the current Instaclustr offer.

We noted at the time of the announcement that the transaction had not involved a third-party valuation event of Instaclustr, so BTI had not changed its valuation. We have now undertaken further analysis of the addressable market and competitive position of the combined Instaclustr-*credativ* business and witnessed [a capital-raising transaction by a comparable company, Aiven](#). This new information has convinced us that we need to increase our valuation now.

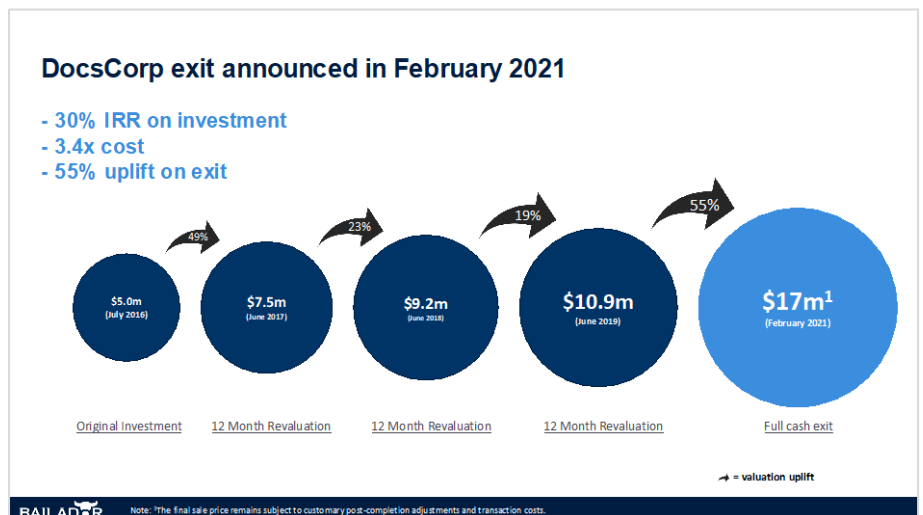
Instaclustr has grown strongly since the last valuation review in August 2020 and the *credativ* acquisition has materially increased the scale and growth prospects of the business. We believe that Instaclustr is an extremely strong IPO candidate, and we look forward to continuing strong performance from an outstanding company and management team.



DocsCorp

DocsCorp announced in March that it had been acquired by Litera, a US-based LegalTech software company. [DocsCorp's sale for over \\$100m is well covered in this AFR article.](#) BTI's cash realisation of \$17m in February formed part of this transaction, generating an internal rate of return (IRR) of 30% at a 3.4x multiple of investment cost, representing a 55% uplift to carrying value.

Our four-and-a-half-year partnership with DocsCorp is a good example of the way that we like to work with our portfolio companies. At the time of publishing our February Shareholder Update, we were restricted by confidentiality provisions from discussing details of the transaction other than our basic return numbers. This month we are able to provide more detail and have included a case study of our investment in DocsCorp as an appendix to this Shareholder Update, which we encourage you to read.



David Kirk & Paul Wilson
Bailador Co-Founders

Highlights

Investment Focus

Bailador typically invests \$5 million or more 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

BTI's NTA per share (pre-tax) has increased 7.2 cents per share.

Key movements are as follows:

Increase in valuation of Instaclustr	10.9c per share
Decrease in Straker Translations share price to \$1.475	-1.6c per share
Other operating costs ¹	-2.1c per share

¹Includes accrued performance fee. The performance fee hurdle has been reached. If NTA remains above the hurdle at 30 June 2021, the fee will be payable.

SiteMinder

SiteMinder CEO [Sankar Narayan was interviewed by Yolanda Redrup for the Australian Financial Review](#). Sankar said SiteMinder has fought off the worst of the COVID-19 pandemic and successfully kept its revenue above \$100 million. The business is now preparing to hire almost 100 people.

Instaclustr

As announced in our [release to the ASX on Thursday 18th March](#), Instaclustr has acquired *credativ*, a global provider of support for a range of open source technologies highly complementary to the current Instaclustr offering.

Peter Lilley, Instaclustr CEO, [spoke to Yolanda Redrup at the Australian Financial Review](#) about Instaclustr's acquisition of *credativ*.

DocsCorp

As mentioned in the Founders' Commentary above, [Michael Bailey from the Australian Financial Review](#) spoke to DocsCorp co-founder Dean Sappey about the company's sale for over \$100m.

Stackla

Stackla added [new features to its Organic Influencers product](#). The tool launched last year is popular with brands as it allows them to send customisable briefs to their communities to request the specific types of content they need. The new features include extra functionality for video and audio submissions, ability to import lists of customers, and increased customisation.

Standard Media Index

SMI [announced IPG Mediabrands has joined the SMI Australian ad spend database](#). SMI's Australia and New Zealand managing director, Jane Ractliffe, said the move would strengthen SMI's market coverage and underpin confidence in the industry as all media stakeholders will now have access to virtually all national marketing spend. Mark Coad, IPG Mediabrands Chief Executive Officer, said: "As a leading Australian media agency we are always keen to ensure our clients have access to the best advertising insights possible, and the data provided by SMI through its exclusive partnerships with our industry delivers information on many aspects of the media market not available elsewhere."

 **Straker Translations**

Stockhead reported that Senior Equities Analyst, Luke Macnab, of stockbroker [Ord Minnett has placed a BUY rating on Straker Translations](#) with a price target of \$2.10 per Straker share. Luke has tipped Straker to double its revenue from NZ\$31.4 million in FY21 to NZ\$61.7 million revenue and deliver positive operating cash flow of NZ\$2.7 million in FY23, driven largely by organic growth from material enterprise wins including NZ\$14m in annual revenue from the recent deal signed with IBM.

 **Bailador**

David Kirk, Bailador Co-Founder and Managing Partner, was [interviewed by Tom Piotrowski for CommSec TV](#) about Bailador's recent exits, his views on current tech valuations, performance of the BTI portfolio and the fund's acquisition strategy.

Paul Wilson, Bailador Co-Founder and Managing Partner, presented at the ASX Small & Mid Cap Conference 2021. His pre-recorded presentation is available to [watch here](#).

Paul led a team sponsored by Bailador Investment Management in The Smith Family Challenge. Paul, Jason Pellegrino, Scott Harris and Rob Wyllie tackled the challenging 100km course on the South Coast of NSW over two days, navigating by foot, bike and through water. They exceeded their fundraising goal of \$100,000, with all funds going to the Smith Family charity which supports disadvantaged kids to get an education.

David captained Team Bailador in the Stepping Stone House Regatta, an annual sailing event held on Sydney Harbour to raise funds for young people facing homelessness. David went head-to-head with two yachts captained by Wallabies, and (despite a torrential downpour) sailed New Zealand and Team Bailador across the line to first place.

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	✓	June 2021
Instaclustr	40.4	797%	▲	0.33		March 2022
Stackla	11.5	3%	▲	0.09		September 2021
Lendi	10.7	112%	▲	0.09	✓	November 2021
SMI	9.6	30%	▲	0.08		June 2021
Straker Translations	9.4	118%	▲	0.08	✓	Mark to market each month end
Rezdy	5.7	60%	▲	0.05		June 2021
Brosa	3.0	0%	▶	0.02	✓	October 2021
Cash	17.1			0.14		
Other ²	-4.6			-0.04		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	185.3			1.51		

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 accrued performance fee. The performance fee hurdle has been reached. If NTA remains above the hurdle at 30 June 2021, the fee will be payable.

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	Straker Translations	Stackla
Type:	SaaS/B2B	DBaaS/B2B	Marketplace/Machine Learning	SaaS/B2B/UGC
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	Digital language translation services provider and one of the world's fastest growing translation companies	Leading tech platform for brands to leverage User Generated Content (UGC) in their marketing strategy
HQ:	Sydney	Canberra	Auckland	San Francisco
Staff:	500-750	100-250	100-250	1-50



Name:	Lendi	SMI	Rezdy	Brosa
Type:	Fintech	SaaS/Big Data	SaaS	Online Retail/B2C
About:	Australia's #1 digital home loan provider disrupting the multi-billion-dollar mortgage industry	Big data aggregation and analysis platform with exclusive access to ad expenditure data	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	Melbourne
Staff:	250-500	1-50	50-100	1-50

DocsCorp Overview

DocsCorp is a developer of desktop and cloud based document software solutions for lawyers, accountants and frequent users of documents. Its technology solutions include document creation, email recipient checking, metadata cleaning, document comparison, PDF creation, and image file conversion to PDF. DocsCorp was founded in 2003 by Dean Sappey and Shane Barnett. The business has over 500,000 licenced users worldwide and more than \$20m in revenue, 80% of which is generated outside Australia.

Investment Thesis

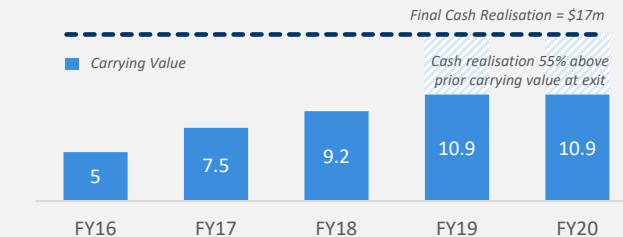
In 2016 Bailador invested \$5m of expansion capital into DocsCorp to accelerate its growth. Bailador's investment in DocsCorp was built on the following investment thesis:

- DocsCorp operated in an attractive global market with structural tailwinds (high labour prices fuel increasing software adoption)
- A compelling opportunity existed for the business to transition to a subscription based recurring revenue model that would deliver a valuation uplift
- DocsCorp had a strong market position, an incredibly loyal customer base and compelling unit economics that would scale
- The founding team were experienced industry experts who had a track record of successfully building and exiting tech businesses
- The business had multiple options for growth which were globally focussed

Investment Outcome

- In March 2021 DocsCorp announced that it had been acquired by Litera, delivering Bailador a \$17m cash realisation
- Litera is a US-based global leader in document workflow, collaboration and data management solutions. Litera is backed by Hg, a global private equity investor focused on investing in software and services businesses
- DocsCorp attracted multiple offers as part of a competitive sale process, highlighting the strong positioning and financial profile of the business

BTI Carrying Value & Final Cash Realisation (\$'m)



\$5m
cash invested

\$17m
cash realised

3.4x
multiple of investment

30%
internal rate of return

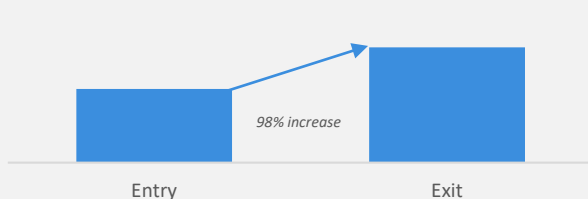
Bailador & DocsCorp Partnership

The Bailador team partnered closely with the DocsCorp founders and management team to accelerate growth and position the business for potential sale opportunities. Over the five-year partnership Bailador was instrumental in:

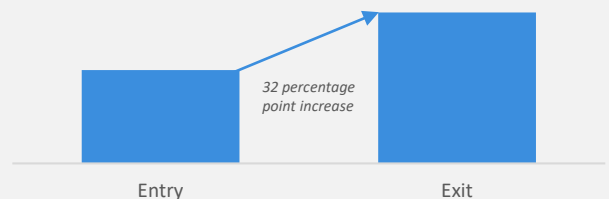
- Assisting with product, pricing and sales strategies to propel the business' transition to a recurring revenue model
- Focusing the business on sales effectiveness, unit economics and growth that delivered operating leverage
- Introducing a right-sized board and governance structure that guided the strategic direction of the business within a strong commercial decision making framework
- Developing comprehensive reporting capabilities focussed on the key SaaS performance metrics which drive business performance
- Ensuring DocsCorp was prepared for a sale opportunity with audited financial statements and high quality management reporting

Select DocsCorp Performance Indicators

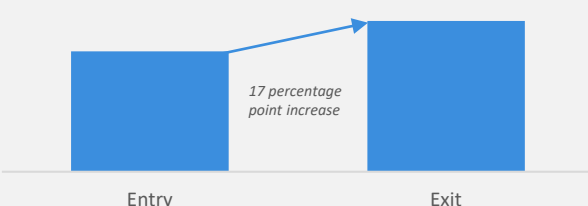
Annual Recurring Revenue (ARR) Increase



Recurring revenue as a percentage of total revenue



Gross Profit Margin Increase



LTM Revenue (Valuation) Multiple Increase

