

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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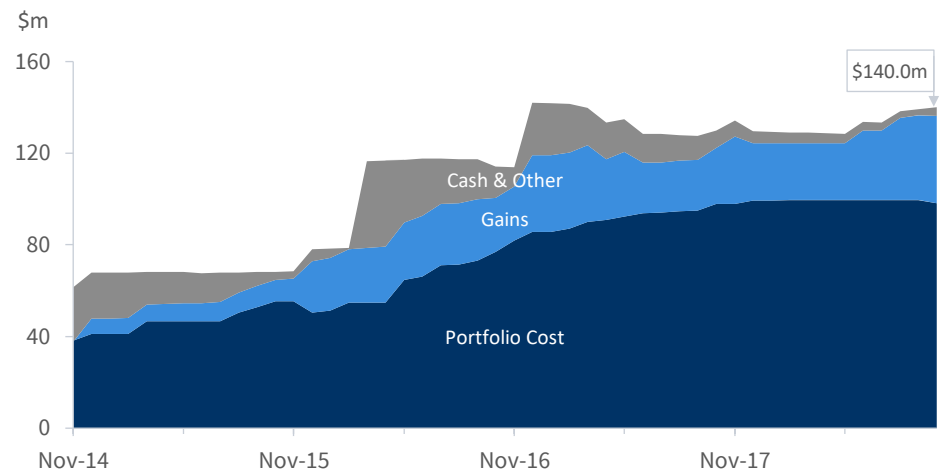
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Bailador Technology Investments [ASX:BTI] Shareholder Update

Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.16
NTA per share post-tax	\$1.10

Net Tangible Asset Breakdown Since Inception



Founders' Commentary

Straker Translations Lists Successfully on the ASX

The valuation of BTI's holding in Straker Translations at 31st October together with cash realised at IPO is 20% over the carrying value of Straker immediately prior to the announcement of Straker's IPO.

On 22nd October, Straker Translations listed successfully on the ASX. As part of the IPO, BTI sold 10% of its position, providing a cash realisation of \$1.2m, which represents a multiple of 1.9x original cost.

The listed stock performed well in the weeks following the IPO in an otherwise tough market. The Straker share price closed at \$1.64 in October, representing an 8.6% increase to the IPO price. Combined with the 11.4% increase to BTI's value last month on announcement of IPO, this has taken the overall increase on IPO to 20%.

The Straker IPO is an excellent example of how BTI provides access for Australian and New Zealand investors to high growth technology businesses at an attractive valuation before they become publicly traded.

Bailador's Investment Philosophy: Straker as a Case Study

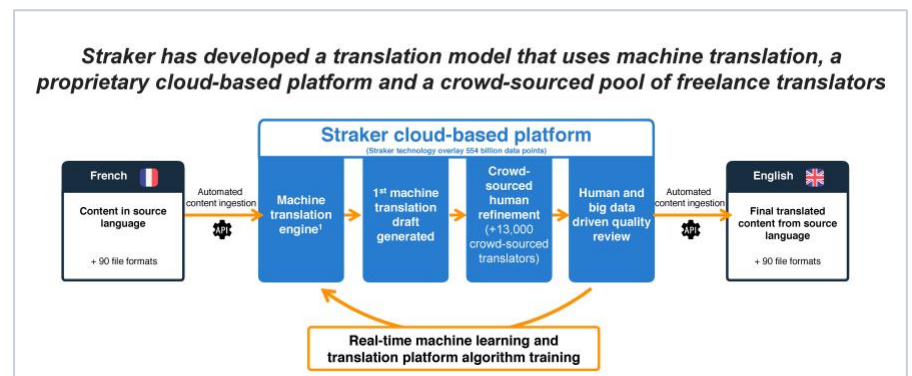
Bailador identified that the Straker business provided a unique opportunity to invest expansion capital into an established high quality technology company growing in a global market. Bailador first invested in August 2015 and further supported the business in October 2016. There are several characteristics of the Straker business model that we are attracted to as expansion stage investors and continue to make the business an exciting investment today.

Huge market opportunity and favourable market trends: The global market for language services was estimated at US\$43 billion in 2017 and is expected to grow at an estimated CAGR of over 9% up until 2022 to US\$67 billion. The expansion is driven by increasing levels of globalisation, the rapid increase in online and offline content production, the

growth in eCommerce and the emergence of new markets with specific language requirements and European regulatory requirements.

Global revenue traction and established product market fit: At the time of investment, Straker had been operating their business model for five years and already had over \$5m in annual revenue. They had attracted a number of large global customers and the team was looking to expand their sales operations in Europe and the US. Today, Straker is forecast to achieve over \$23m in revenue this financial year, has a team of 120 people servicing over 8,400 customers, with 88% of revenue generated outside Australia and New Zealand. Their global sales team of 16 is based across seven countries.

Industry-leading business model: The Straker *Ray* platform provides the automation and scalability that enables Straker to deliver higher gross margins than most industry competitors. Even better, this is an advantage that continues to develop – as Straker’s data set of translated word pairs increases, their machine translation capability becomes faster and more accurate. This means the platform becomes more efficient because they pay translators by the hour and charge customers by the number of words translated.



Compelling growth strategy: The speed and quality of the work produced by the hybrid translation model has ensured that Straker has the ability to acquire new customers organically. Furthermore, the fragmented nature of the translation industry allows Straker to cost-effectively acquire other translation companies and utilise its superior technology to improve the acquired business’ operating margins.

High quality, founder-led team: Straker is run by the original founders, Grant & Merryn Straker, who have built the technology platform over eight years and continue to operate as CEO and COO today. The company has an exceptional employee retention rate, which is a testament to the culture the Strakers have built in their pursuit of global success from Auckland.

BTI value add: As an investment team, we seek out opportunities where we can provide hands-on support over the lifetime of the investment. We have been privileged to spend the past three years working with the Straker team as they scale the business on a global stage. We look forward to continuing this relationship with Straker well into the future.

David Kirk & Paul Wilson
Bailador Co-Founders

Please Note

BTI’s carrying value of Straker over time is on an actual currency basis.

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.

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
- 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.



Straker Translations

Straker Translations [listed successfully on the ASX](#) this month. As part of the IPO, BTI sold 10% of its position, providing a cash realisation of \$1.2m, which represents a multiple of 1.9x original cost. The valuation of BTI's holding in Straker Translations has increased by 8.6% (\$0.97m or 0.8c per share) over the prior month's carrying value and together with cash realised, this represents an increase of 20% over the carrying value directly prior to announcement of the IPO.

In his speech at the ASX listing ceremony, Grant Straker paid tribute to Bailador's contribution to their success. [A video of the event is available on our website.](#)



SiteMinder

SiteMinder has appointed current Xero Chief Operating Officer and Bailador board member [Sankar Narayan as its first externally appointed CEO](#). Sankar will work alongside SiteMinder's founder Mike Ford, who will remain the Managing Director and assume the role of Executive Chairman of the Board with a focus on driving the company's vision, strategy and product innovation.

From January, Sankar will join a [distinguished leadership team](#) that now includes David Barnes, the former chief commercial officer at Expedia company Wotif.com; Inga Latham, the former general manager of digital experience at multinational Commonwealth Bank; and Jonathan Kenny, the former CFO at global online education company 3P Learning.



Lendi

Lendi is ranked among the fastest growing companies in Australia, coming in #51 on the Australian Financial Review's 2018 Fast 100 list.

Lendi has joined Hungry Jack's as the major sponsors of the West Coast Eagles in a three-year deal that will promote the Lendi brand. Lendi has also appointed a new Chief Marketing Officer, Zara Cobb, who will be responsible for driving growth in customer acquisition and helping shape Lendi into a household brand name.



SMI

SMI has joined forces with [data analytics company Nielsen](#), a USD \$9 billion company listed on the New York Stock Exchange. This partnership will increase SMI's network reach by nearly two-thirds and feed into its market-leading national television product.



BrosA

October marks one year since BTI's investment in Brosa. In our review of the investment we have determined to hold the carrying value constant.



Bailador

- Andrea Kowalski, Bailador's Partner based in New York, [wrote for SmartCompany](#) on the five key ingredients brands must have to succeed in today's experience-led market

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
Straker Translations	12.1	93%	▲	0.10	✓	Mark to market from October 2018
Lendi	9.5	73%	▲	0.08	✓	December 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 2019
Cash	3.3			0.03		
Other	0.5			0.0		
Net Asset Value / Net Asset Value Per Share (Pre Tax)	140.0			1.16		

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	Straker Translations	Lendi
Type:	SaaS/B2B	DBaaS/B2B	SaaS/B2B/UGC	Marketplace/Machine Learning	Fintech
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	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
HQ:	Sydney	Canberra	San Francisco	Auckland	Sydney
Staff:	550-600	50-100	50-100	100-150	250-300



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