

## 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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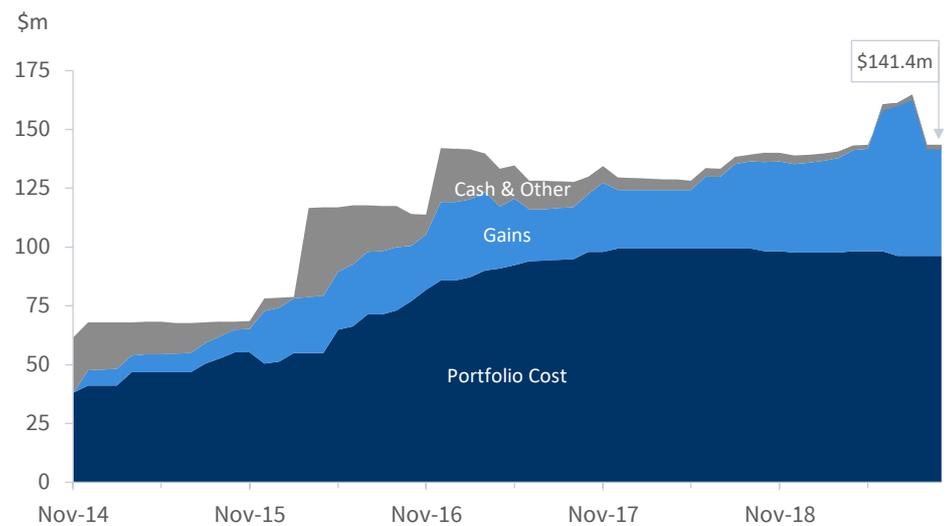
This report was authorised for release to the ASX by Helen Plesek, Company Secretary & Chief Financial Officer, on 11 October 2019.

# Bailador Technology Investments [ASX:BTI] Shareholder Update

## Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.18
NTA per share post-tax	\$1.11

## Net Tangible Asset Breakdown Since Inception

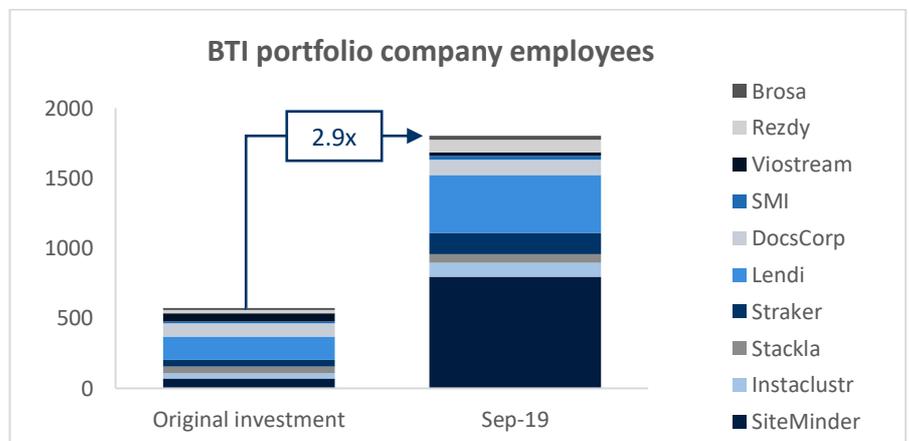


## Founders' Commentary

### Sustainable job creation

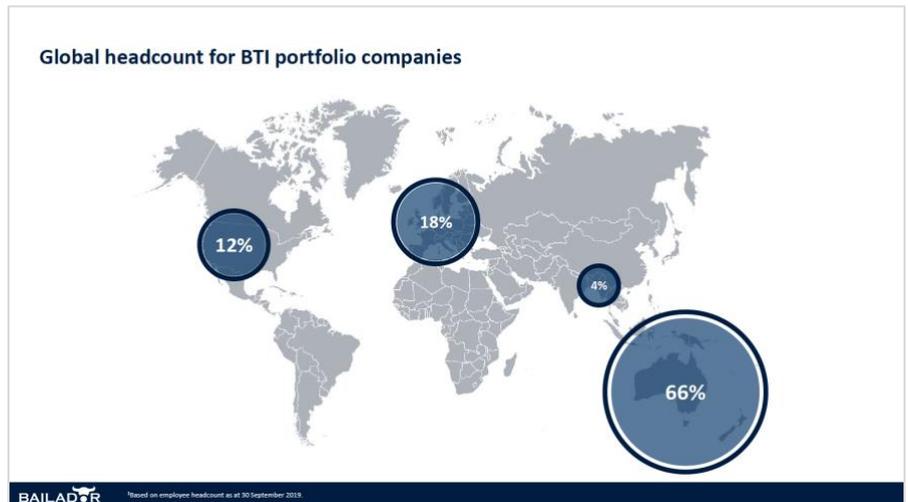
In previous notes, we have shown how the revenue and valuation of the Bailador portfolio is growing. Further good news is that the growth in sustainable jobs within the Bailador portfolio of technology companies is very impressive.

On average, employee numbers have almost tripled since our original investment was made, as shown in the table below.



The above numbers do not take into account the broader base of employment generated by marketplace models such as Straker Translations, who not only employ ~148 personnel but also contract with a global army of ~13,000 language translation specialists as part of their technology-enabled platform.

The strong growth in headcount of BTI's portfolio companies has been the result of new employment opportunities not just for software developers, but also in areas such as sales and marketing, finance, strategy and senior management. While the portfolio is generating over 65% of revenue from international markets, the bulk of the jobs are in Australia and NZ.



It has been widely publicised that some technological advancements such as robotisation, automation and artificial intelligence could put humans at risk of widespread job losses. Whilst the World Economic Forum has estimated that over 75 million jobs could be made obsolete by 2022, the report also estimated technological advancements could create up to 133 million new jobs over the same period.

StartupAUS recently found, on average, a new job was created for every US\$300,000 of investment. The data underlying Bailador's portfolio companies suggests a job creation ratio for expansion stage businesses could be closer to US\$200,000 of capital for each new employee.

It is a fact that advances in technology will put some traditional jobs at risk. It's important that proactive steps are taken to create sustainable Australian and NZ jobs in the digital age and that businesses recognise the need for human capital investment to ensure an effective transition to new technologies.

While generating premium investment returns is the primary focus of Bailador's investment approach, it's nice to know this investment is also driving sustainable job growth.

**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

### **BROSA** Brosa

Brosa was up for valuation review as at 31 October 2019 given it has been 12 months since the last valuation was undertaken. BTI has kept the valuation of Brosa flat in recognition of recent trading performance and BTI's position in the capital structure of the company.

[Brosa opened a pop-up store in Brisbane](#) to showcase over 300 products and give customers the opportunity to access one-on-one home styling consultations. The Brosa Studio+ is in Fortitude Valley and will be open seven days a week with no appointments needed.

### SiteMinder **SiteMinder**

[SiteMinder appeared in the Australian Financial Review](#) over reports it is undertaking a global investor roadshow.

[SiteMinder has launched a new marketplace](#) that gives hotels easy access to technology previously only accessible through a hotel's property management system. The Hotel App Store allows hotels of all sizes to connect to more than 100 applications, including revenue management and upselling, guest messaging, guest review management, room controls, airport transfers and keyless entry.



### **Lendi**

[Lendi appeared in the Australian Financial Review](#) which reported the online mortgage broker has appointed Macquarie Capital and UBS to explore options such as fresh equity raisings.

[Lendi CEO David Hyman appeared on the Real Estate Talk podcast](#) with Kevin Turner to talk about first time home buyers. He was also [interviewed in the AFR](#) on data the company released on the margin between the bank rates for existing and new customers, and [spoke to The Courier Mail](#) about the latest RBA rate cut.



### **Straker Translations**

[Straker signed a partnership with US-based Applications Technology LLC \("AppTek"\)](#), a world-leader in next generation AI and machine learning technologies for automatic speech recognition, neural machine translation and natural language understanding solutions.

[Straker also released its Q2 FY2020 cash flow and activities report to the ASX](#). Highlights included cash inflows of NZ\$7.3m, up 15% on the prior corresponding period and 19% on the previous quarter. Operating net cash outflow improved 57% to near break-even.



### **Rezdy**

[Rezdy announced a new integration with Flybook](#), a global activity and tour operator booking software business. Flybook's platform has successfully integrated into Rezdy Marketplace, allowing Flybook users to distribute their tours and activities to the nearly 20,000 agents and resellers in the Rezdy Marketplace.

Rezdy CEO, Chris Atkin, took part in a panel discussion titled The Great Tech Debate alongside CEOs from BookingKit, Checkfront and Fareharbor, at the annual Arival conference in Orlando, Florida.

*Continued*

 **Bailador**

[Bailador is now covered in a weekly LIC report prepared by Will Gormly of Bell Potter.](#)

[Bailador co-founder Paul Wilson was interviewed by the AFR](#) in an article on valuations for high growth technology companies. Paul explained how data is the key to understanding the quality and sustainability of a business.

Bailador was also [featured in an article by Stockhead](#) which looked at successful Aussie IPOs including that of Straker Translations, and speculated on what the future holds for SiteMinder.

### **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 <sup>1</sup>
SiteMinder	72.9	427%	▲	0.61		June 2020
Instaclustr	19.0	323%	▲	0.16		August 2020
Straker Translations	11.4	163%	▲	0.09	✓	Mark to market each month end
DocsCorp	10.9	119%	▲	0.09		June 2020
Lendi	10.7	112%	▲	0.09	✓	November 2019
SMI	9.6	30%	▲	0.08		March 2020
Rezdy	5.9	64%	▲	0.05		February 2020
Brosa	3.0	0%	▶	0.02	✓	October 2020
Stackla	-	-100%	▼	-		September 2020
Viostream	-	-100%	▼	-		September 2020
Cash	1.5			0.01		
Other <sup>2</sup>	-3.5			-0.02		
<b>Net Asset Value / Net Asset Value Per Share (Pre Tax)</b>	<b>141.4</b>			<b>1.18</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

<sup>2</sup> Includes Performance Fee accrual

### 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	Instaclustr	Straker Translations	DocsCorp	Lendi
Type:	SaaS/B2B	DBaaS/B2B	Marketplace/Machine Learning	SaaS/Document Productivity	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	Digital language translation services provider and one of the world's fastest growing translation companies	Global leader in the rapidly growing Document Productivity segment	Australia's #1 home loan provider disrupting the multi-billion-dollar mortgage industry
HQ:	Sydney	Canberra	Auckland	Sydney	Sydney
Staff:	750-1,000	50-100	100-250	100-250	250-500



Name:	SMI	Rezdy	Brosa	Stackla	Viostream
Type:	SaaS/Big Data	SaaS	Online Retail/B2C	SaaS/B2B/UGC	SaaS/Video
About:	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	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:	New York	Sydney	Melbourne	San Francisco	Sydney
Staff:	1-50	50-100	1-50	1-50	1-50