

Bailador Technology Investments [ASX:BTI] Shareholder Update

About Bailador

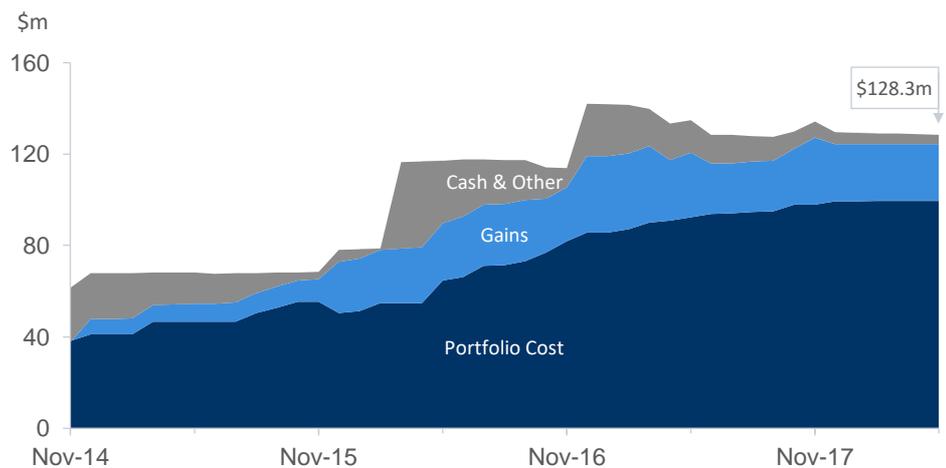
Bailador Technology Investments is a growth capital fund focused on the information technology sector, actively managed by an experienced team with demonstrated sector expertise.

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

Net Tangible Asset Snapshot

	Current month
NTA per share pre-tax	\$1.07
NTA per share post-tax	\$1.03

Net Tangible Asset Breakdown Since Inception



Founders' Commentary

I attended a very interesting event last week hosted by the M&A Transaction Services team at Deloitte. The team at Deloitte invited about 20 corporate M&A executives to the event and interviewed Mark Brayan, CEO of Appen, Brad Milliken, Lead Partner Digital Platforms at Deloitte, and me.

After our chat, using the Menti technology which allows those present to vote on their phones in real time, the M&A practitioners present were asked two questions and the answers were collated and put up on the screen in real time. The first question was: 'Have you undertaken – or are you considering – "disruptive M&A"?' A huge 83% said 'yes'.

The second question sought to understand what technologies the executives representing energy, utility, telecommunications, financial services and many other sectors, believed would have the greatest disruptive impact on their business in the next five years. Executives could vote for more than one technology.

A whopping 90% said artificial intelligence would have the greatest disruptive impact. IOT/sensors, quantum computing and robotics each gained 30% votes, and wearables was judged the least likely technology to have a disruptive impact on businesses in the next five years.

I came away convinced technology acquisitions and partnerships are firmly on the radar of M&A executives at Australian corporates and we can expect to see plenty of activity in the years ahead.

David Kirk & Paul Wilson
Bailador Co-Founders

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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.



Instaclustr launches managed Apache Kafka

Instaclustr announced the immediate availability of [Managed Apache Kafka](#) on its platform. Apache Kafka is the leading streaming and queuing technology for large-scale always-on applications. This integration adds to Instaclustr's existing offerings, giving customers a single managed service provider for a complete suite of leading open source data processing and storage technologies.



DocsCorp continues cloud enablement of its product suite

DocsCorp announced its new [Content Crawler product integration with NetDocuments](#), a leading provider of cloud-based document and email management systems for enterprises. Marketed as NetDocuments OCR, this new feature will be powered by DocsCorp's patented Content Crawler technology and will be available to over 2,000 global NetDocument customers from July.



Straker Translations wins top Maori award

Straker Translations won the award for best Hi-Tech Maori Innovation at the NZ Hi-Tech awards in Christchurch. A record-breaking crowd of close to 800 people attended the awards dinner, held to celebrate the successes of New Zealand hi-tech companies across 13 categories.



SiteMinder signs two big new deals

SiteMinder announced two new partnerships this month. [Hostelling International](#), a worldwide network of not-for-profit youth hostel associations, teamed up with SiteMinder, along with South Africa's largest low-cost airline and operator of the South African arm of British Airways, [Comair Travel](#).



Rezdy announces significant new partnership

[Rezdy has partnered with Hero](#), the innovative cloud-based booking platform for retail and online travel agents, hotel concierge and visitor information centres. This significant partnership gives Hero agents instant access to over 40,000 products within Rezdy's marketplace, while suppliers using Rezdy can receive live automated bookings from Hero agents direct into their Rezdy manifest.



Bailador Activity

- Bailador Partner and Chairman [David Kirk spoke to the Australian Financial Review](#) about the Australian tech ecosystem, unicorns and future IPOs
- David also wrote a feature for the [ASX Investor Update Newsletter](#) on how to invest in emerging technology stocks and the benefits of a listed tech fund such as Bailador
- Mary Meeker's hotly anticipated Internet Trends 2018 report once again showed [Bailador's portfolio companies are ahead of the key tech trends](#)

Important Notice

Bailador Investment Management Pty Ltd CAN 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.

BTI Portfolio Net Tangible Asset Summary

	Cost (\$'m)	Implied Gain (\$'m)		Valuation (\$'m)	Gain (%)		NTA per share (\$)	Third Party Event Valuation	Next Valuation Review ¹
SiteMinder	13.8	26.7	▲	40.5	193%	▲	0.34	✓	June 2018
Viostream	26.4	-7.6	▼	18.8	-29%	▼	0.16		December 2018
Stackla	11.2	1.4	▲	12.6	13%	▲	0.10	✓	June 2018
Straker Translations	7.5	3.7	▲	11.2	49%	▲	0.09	✓	October 2018
Lendi	5.5	4.0	▲	9.5	73%	▲	0.08	✓	December 2018
Instaclustr	4.5	4.8	▲	9.3	107%	▲	0.08		November 2018
DocsCorp	5.0	2.5	▲	7.5	50%	▲	0.06		June 2018
SMI	7.4	0.0	▶	7.4	0%	▶	0.06		March 2019
Rezdy	3.6	0.9	▲	4.5	25%	▲	0.04	✓	February 2019
Brosa	3.0	0.0	▶	3.0	0%	▶	0.02	✓	October 2018
Cash				3.9			0.03		
Other				0.2			0.01		
Net Asset Value / Net Asset Value Per Share (Pre Tax)				128.3			1.07		

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	Viostream	Stackla	Straker Translations	Lendi
Type:	SaaS/B2B	SaaS/Video	SaaS/B2B/UGC	Marketplace/Machine Learning	Fintech
About:	World leader in hotel channel management and distribution solutions for online accommodation bookings	Cloud-based end-to-end platform for the creation, management and distribution of video	Leading tech platform for brands to leverage User Generated Content (UGC) in their marketing strategy	Cloud-based 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	Sydney	San Francisco	Auckland	Sydney
Staff:	550-600	1-50	50-100	50-100	250-300



Name:	Instaclustr	DocsCorp	SMI	Rezdy	Brosa
Type:	DBaaS/B2B	SaaS/Document Productivity	SaaS/Big Data	SaaS	Online Retail/B2C
About:	Open source data platform for cloud-based solutions that require immense scale	Global leader in the rapidly growing Document Productivity segment	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:	Canberra	Sydney	New York	Sydney	Melbourne
Staff:	50-100	100-150	1-50	50-100	1-50